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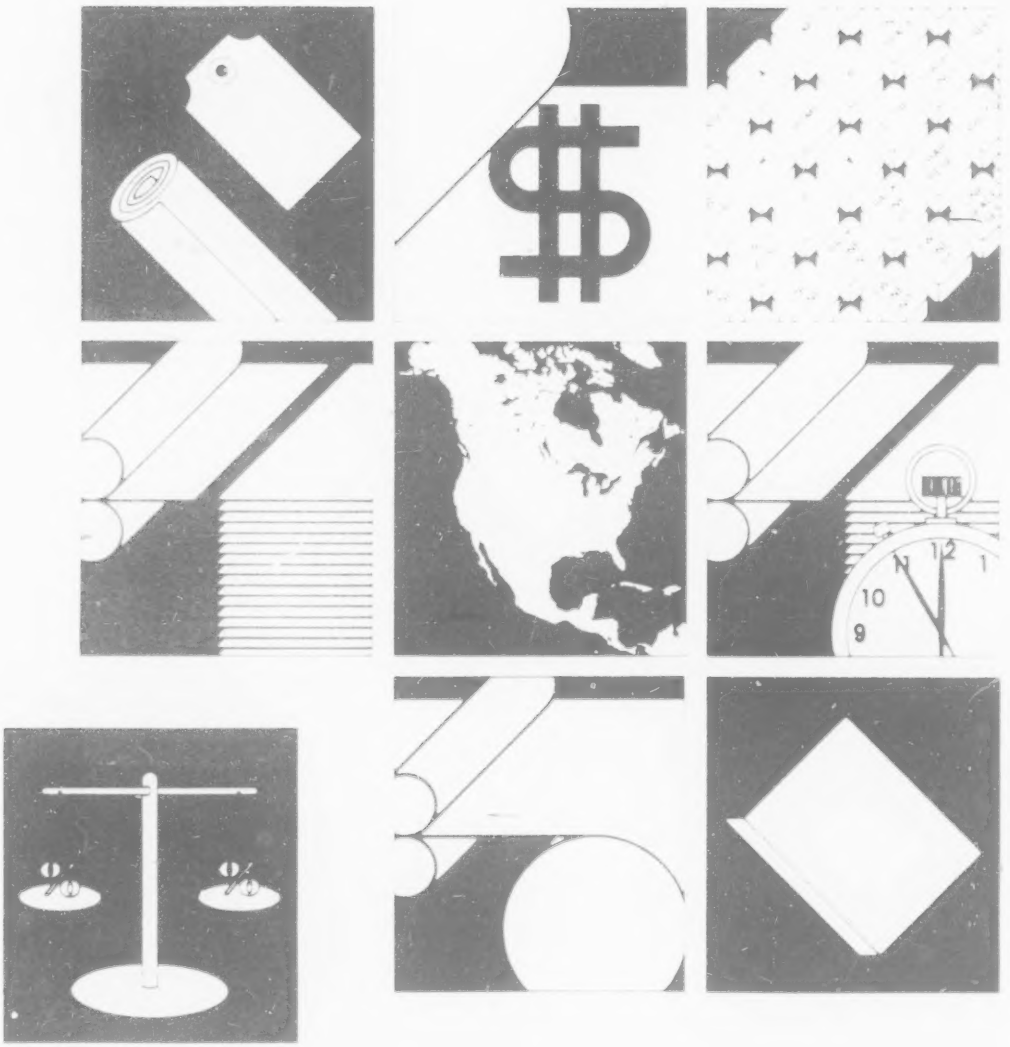
# 1987 Financial Ratio Study



Volume VI

Web Offset Printers—Heatset

# Volume VI: Web Offset Printers—Heatset

**An Annual Financial Survey Conducted By:**
**Printing Industries of America, Inc.**
**PIA Member Programs Services**
**1730 North Lynn Street**
**Arlington, VA 22209**

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# PRINTING INDUSTRIES OF AMERICA, INC.

1730 North Lynn Street, Arlington, VA 22209 (703) 841-4805

1987 is the 64th year in which Printing Industries of America, Inc. has collected and published detailed financial ratio information for members of the graphic arts community. The data presented each year provide a detailed and comprehensive picture of the financial status of the major segments of the graphic arts industries in the U.S. and Canada. It allows individual firms to compare their annual performance with that of many other similar firms, including those which earn well above-average profits. Ratio results are published annually. They are summarized as follows:

- Management Guide to the PIA Ratios
- All Printers by Sales Volume
- All Printers by Product Specialty
- All Printers by Geographic Area
- Sheetfed Printers by Size and Geographic Area
- Web Offset Printers — Heatset
- Web Offset Printers — Non-Heatset
- Combination Offset — Sheetfed/Web
- Book Manufacturers' Ratios
- Large Printers' Ratios
- Typographers' Ratios
- Preparatory Specialists' Ratios
- Binders' Ratios
- Quick Printers

For a more complete composite picture of your company's performance relative to the industry as a whole, several books could be used in your analysis, such as one of the overview volumes, e.g., *All Printers by Sales Volume*, and one that addreses your particular business segment or production process, e.g., *Book Manufacturers or Web Offset — Heatset*, respectively. Alternatively, such analysis is facilitated by participating in the Ratio Study each year and ordering an individual company computer printout which compares a participant's ratios to those of companies which are similar in size and sales volume, produce the same products, and use the same manufacturing process.

H. R. MARGOLIS COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

OFFICES
PHILADELPHIA
NEW YORK

Dear Member of the Graphic Arts Community:

H. R. Margolis Company is pleased to have once again participated with PIA and the graphic arts community in compiling these financial ratios. In all, 933 graphic arts firms of various types took part in the 1987 study. This particular volume is the result of financial information contributed by 59 Heatset Web Offset Printers across the United States and Canada.

To help readers compare their own financial statements to those of other firms, the data is presented here by sales volume - for example, sales from $1.5 to $5 million, sales from $5 to $10 million, etc.; by product specialty - for example, Commercial and Advertising and Magazine and Periodical; and by percentage of paper supplied - for example, 0% to 11%, 11% to 21%, etc. Readers can compare their firm's operations with other firms having the same sales volume, product specialty or percentage of paper supplied in five areas: Operations based on Value Added and its Supporting Schedules, Operations based on Sales and its Supporting Schedules, Balance Sheet Ratios, Significant Facts and Return on Investment.

The importance of sharing this type of information among members of the graphic arts community cannot be overemphasized. Such a comparative analysis enhances the health of both individual firms and the graphic arts industry as a whole. Consequently, we urge that all firms put these ratios to use in making effective and profitable financial decisions.

H. R. Margolis Company

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Congratulations on partaking of the web offset ratio study program. I'm sure that as you review the wealth of information contained in the book that you will find it to be a very rewarding exercise.

In case you are not acquainted with Web Offset Section activities, we have a very active group. WOS produces a variety of reports dealing with heatset web offset printing. Two of the most widely used of these publications are the *Heatset Web Offset Directory*, listing most heatset web offset plants in the United States and Canada, and its companion volume, the *Web Offset Product Catalog*, which describes the primary products printed by the companies listed in the Directory.

Over 1500 people attend our annual Web Offset Conference each year, where they hear discussions and exchange information on the technology and problems unique to web offset production. Transcriptions of these sessions are also published by the Section in the form of the *Web Offset Proceedings*, and are available for the use of industry firms.

Our next annual meeting will be held May 9-11, 1988 at the Westin-St. Francis, San Francisco, CA. Additional information about our meeting and publications is available from the Web Offset Section.

Edward W. Hill, Jr.
Executive Director
Web Offset Section

## VALUE ADDED DEFINED

Value added is a technical term for sales of a company's own manufacture. It is calculated as sales less material costs and outside services.

| | | |
|---|---|---|
| Sales | | $100.00 |
| Less: Materials | | |
| Paper | $ 23.00 | |
| Other chargeable materials | 5.00 | |
| Outside services | 8.00 | 36.00 |
| Value Added | | $ 64.00 |

Material costs include paper and other chargeable materials such as ink, film, plates etc., but not general supplies or the repair and maintenance of equipment. Outside services are purchases of job-related services - composition, offset preparation, printing, bindery, etc.

Value added financial management is based on a fundamental principle of accounting: Profit is achieved from sales of a company's own manufacture. Time and time again, when printing companies show high sales but low profits, the root of the problem is in the failure to pay attention to the relationship between value added and profit performance.

## VALUE ADDED AND PROFITS

Since value added is sales less material costs, it becomes a critical factor in paying your remaining expenses - expenses such as factory labor, other factory expenses, administrative expenses, selling expenses, and interest.

What is left is profit.

All sales do not contribute equally to fixed costs and profits. There are "good sales" and "better sales." Good sales are sales that require more than an average amount of materials and outside services. As a result, they have less value added with which to cover fixed costs and to produce a profit. They are called "good sales" simply because there are no "bad sales" in the printing industry.

Better sales require fewer materials and more inside sales - sales of your company's own manufacture. This type of sale generously covers overhead and pays more dollars into profits. Printing firms that follow value added financial management procedures do all work inside unless they cannot avoid sending it out.

A VALUE ADDED STATEMENT OF OPERATIONS

In keeping with the value added concept, operating statements are more meaningful when prepared on the basis of inside sales. In this type of statement presentation, management starts its financial analysis with value added instead of the sales column. This eliminates the distortion introduced by material costs. For example, in comparing percentages based on sales of a short-run, sheet-fed company and a web offset firm, we could be faced with a significant difference in ratios because of differences in material costs. Although it would appear that the web offset operation had a lower factory labor cost because a substantial amount of its sales were materials, this might, in fact, not be the case at all. Instead the factory labor cost could be more or less than its counterpart sheet-fed operation as it relates to the value added produced by this labor.

| | COMPANY S SHEET-FED | | COMPANY W WEB-FED | |
|---|---|---|---|---|
| | | % OF SALES | | % OF SALES |
| SALES | $1,000,000 | 100.00% | $1,000,000 | 100.00% |
| MATERIALS | | | | |
| Paper | 197,300 | 19.73 | 387,900 | 38.79 |
| Other chargeable materials | 42,800 | 4.28 | 35,000 | 3.50 |
| Outside services | 87,900 | 8.79 | 30,000 | 3.00 |
| | 328,000 | 32.80 | 452,900 | 45.29 |
| | | % OF VALUE ADDED | | % OF VALUE ADDED |
| VALUE ADDED | 672,000 | 100.00% | 547,100 | 100.00% |
| FACTORY PAYROLL | 241,800 | 35.98 | 177,500 | 32.44 |
| FACTORY EXPENSES | 121,800 | 18.13 | 101,300 | 18.52 |
| | 363,600 | 54.11 | 278,800 | 50.96 |
| GROSS PROFIT | 308,400 | 45.89 | 268,300 | 49.04 |
| SELLING AND ADMINISTRATIVE EXPENSES | 187,500 | 27.90 | 141,700 | 25.90 |
| INCOME BEFORE INTEREST EXPENSE | 120,900 | 17.99 | 126,600 | 23.14 |
| Interest expense | 18,300 | 2.72 | 7,900 | 1.44 |
| OPERATING INCOME | 102,600 | 15.27 | 118,700 | 21.70 |
| Other income | 10,200 | 1.52 | 16,200 | 2.96 |
| INCOME BEFORE INCOME TAXES | $ 112,800 | 16.79% | $ 134,900 | 24.66% |

The point is that every company's product mix is different, and by using statements of operations based on value added, this product mix difference is eliminated. Consequently, value added is a better statement with which to evaluate your operations.

REPORT ON OPERATIONS - VALUE ADDED = 100%

| | ALL FIRMS REPORTING | | SALES FROM $1.5 TO $5 MILLION** |
|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS* | ALL FIRMS |
| SALES OR VALUE OF PRODUCT PRODUCED | X | X | X |
| LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES | X | X | X |
| VALUE ADDED BY MANUFACTURE | 100.00% | 100.00% | 100.00% |
| FACTORY PAYROLL | 46.05 | 41.84 | 43.49 |
| FACTORY EXPENSES | 24.69 | 22.99 | 18.65 |
| TOTAL FACTORY COST OF PRODUCT | 70.74 | 64.83 | 62.14 |
| GROSS PROFIT | 29.26 | 35.17 | 37.86 |
| ADMINISTRATIVE AND SELLING EXPENSES | | | |
| Administrative expenses | 10.27 | 7.63 | 16.52 |
| Selling expenses | 9.91 | 6.72 | 12.07 |
| TOTAL ADMINISTRATIVE AND SELLING EXPENSES | 20.18 | 14.35 | 28.59 |
| INCOME BEFORE INTEREST EXPENSE | 9.08 | 20.82 | 9.27 |
| Interest expense | 4.10 | 2.12 | 4.17 |
| OPERATING INCOME | 4.98 | 18.70 | 5.10 |
| Other income | 1.08 | 1.35 | 1.28 |
| INCOME BEFORE INCOME TAXES | 6.06 | 20.05 | 6.38 |

* See page 10 for the definition of "Profit Leaders."
** Sample insufficient for Profit Leaders.

| SALES FROM $5 TO $10 MILLION** | SALES FROM $10 TO $20 MILLION** | SALES OVER $20 MILLION | |
|---|---|---|---|
| ALL FIRMS | ALL FIRMS | ALL FIRMS | PROFIT LEADERS |
| X | X | X | X |
| X | X | X | X |
| 100.00% | 100.00% | 100.00% | 100.00% |
| 44.59 | 44.15 | 47.42 | 41.17 |
| 23.95 | 24.47 | 25.43 | 24.27 |
| 68.54 | 68.62 | 72.85 | 65.44 |
| 31.46 | 31.38 | 27.15 | 34.56 |
| 12.29 | 11.03 | 8.80 | 7.67 |
| 12.34 | 12.70 | 7.91 | 6.39 |
| 24.63 | 23.73 | 16.71 | 14.06 |
| 6.83 | 7.65 | 10.44 | 20.50 |
| 4.10 | 4.52 | 3.96 | 1.36 |
| 2.73 | 3.13 | 6.48 | 19.14 |
| 1.14 | 0.50 | 1.22 | 1.72 |
| 3.87 | 3.63 | 7.70 | 20.86 |

CHAPTER 1 - BY SIZE OF FIRM

SUPPORTING SCHEDULES - VALUE ADDED = 100%

| | ALL FIRMS REPORTING | | SALES FROM $1.5 TO $5 MILLION** |
|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS |
| FACTORY PAYROLL | | | |
| Salaries - executive | 2.99% | 2.27% | 2.20% |
| Direct wages | 28.71 | 23.67 | 32.60 |
| General factory salaries and wages | 4.88 | 6.22 | 1.94 |
| Packing, shipping and delivery wages | 1.55 | 1.42 | 0.97 |
| Payroll taxes | 2.89 | 2.41 | 3.21 |
| Employee benefits | 5.03 | 5.85 | 2.57 |
| TOTAL FACTORY PAYROLL | 46.05 | 41.84 | 43.49 |
| FACTORY EXPENSES | | | |
| Fixed Expenses | | | |
| Depreciation - real estate | 0.43 | 0.33 | 0.00 |
| Depreciation - other | 6.70 | 6.58 | 3.12 |
| Taxes - real estate | 0.41 | 0.43 | 0.00 |
| Taxes - other | 0.37 | 0.12 | 0.47 |
| Insurance | 0.66 | 0.33 | 0.62 |
| Building rent | 1.07 | 0.67 | 3.19 |
| Utilities - heat, light, etc. | 3.15 | 2.95 | 2.08 |
| Equipment rental | 1.07 | 0.26 | 0.19 |
| Total Fixed Expenses | 13.86 | 11.67 | 9.67 |
| Other Expenses | | | |
| Factory supplies and expense | 4.45 | 4.47 | 2.08 |
| Packing, shipping and delivery expense | 1.72 | 2.14 | 3.45 |
| Repairs and maintenance | 3.13 | 2.51 | 2.53 |
| Other factory expenses | 1.53 | 2.20 | 0.92 |
| Total Other Expenses | 10.83 | 11.32 | 8.98 |
| TOTAL FACTORY EXPENSES | 24.69 | 22.99 | 18.65 |
| ADMINISTRATIVE EXPENSES | | | |
| Salaries - executive | 2.08 | 1.89 | 2.64 |
| Salaries - office | 2.34 | 1.80 | 3.93 |
| Payroll taxes | 0.31 | 0.21 | 0.55 |
| Employee benefits | 0.64 | 0.65 | 0.89 |
| Bad debts | 0.78 | 0.43 | 2.39 |
| Office supplies and expenses | 0.48 | 0.31 | 1.54 |
| Professional fees | 0.84 | 0.34 | 1.91 |
| Taxes - business | 0.09 | 0.04 | 0.94 |
| Telephone | 0.50 | 0.31 | 0.71 |
| Other administrative expenses | 2.21 | 1.65 | 1.02 |
| TOTAL ADMINISTRATIVE EXPENSES | 10.27 | 7.63 | 16.52 |
| SELLING EXPENSES | | | |
| Salaries - executive | 0.97 | 0.59 | 2.19 |
| Salaries and commissions - salesmen | 4.33 | 3.46 | 4.09 |
| Salaries - sales office clerical | 1.23 | 0.73 | 0.81 |
| Payroll taxes | 0.33 | 0.14 | 0.40 |
| Employee benefits | 0.41 | 0.22 | 0.36 |
| Advertising | 0.42 | 0.10 | 0.71 |
| Travel and entertainment | 0.99 | 0.42 | 3.04 |
| Other selling expenses | 1.23 | 1.06 | 0.47 |
| TOTAL SELLING EXPENSES | 9.91 | 6.72 | 12.07 |

** Sample insufficient for Profit Leaders.

| SALES FROM $5 TO $10 MILLION** | SALES FROM $10 TO $20 MILLION** | SALES OVER $20 MILLION | |
|---|---|---|---|
| ALL FIRMS | ALL FIRMS | ALL FIRMS | PROFIT LEADERS |
| 2.87% | 2.43% | 3.26% | 2.33% |
| 29.13 | 29.10 | 28.21 | 22.36 |
| 3.77 | 4.31 | 5.69 | 6.75 |
| 1.75 | 1.79 | 1.42 | 1.36 |
| 3.43 | 2.14 | 2.87 | 2.58 |
| 3.64 | 4.38 | 5.97 | 5.79 |
| 44.59 | 44.15% | 47.42 | 41.17 |
| 0.25 | 0.58 | 0.48 | 0.35 |
| 6.85 | 6.69 | 6.87 | 7.08 |
| 0.34 | 0.39 | 0.48 | 0.39 |
| 0.49 | 0.44 | 0.29 | 0.14 |
| 1.07 | 0.78 | 0.46 | 0.34 |
| 1.39 | 1.67 | 0.62 | 0.77 |
| 3.26 | 2.79 | 3.27 | 3.12 |
| 0.54 | 0.56 | 1.50 | 0.30 |
| 14.19 | 13.90 | 13.97 | 12.49 |
| 3.70 | 4.48 | 4.90 | 4.50 |
| 1.48 | 1.98 | 1.63 | 2.58 |
| 3.41 | 3.10 | 3.05 | 2.31 |
| 1.17 | 1.01 | 1.88 | 2.39 |
| 9.76 | 10.57 | 11.46 | 11.78 |
| 23.95 | 24.47 | 25.43 | 24.27 |
| 2.85 | 2.61 | 1.56 | 1.90 |
| 3.07 | 2.14 | 1.98 | 1.78 |
| 0.42 | 0.32 | 0.25 | 0.22 |
| 0.68 | 0.68 | 0.59 | 0.73 |
| 0.79 | 0.79 | 0.68 | 0.29 |
| 0.59 | 0.46 | 0.38 | 0.29 |
| 1.04 | 0.99 | 0.65 | 0.37 |
| 0.09 | 0.13 | 0.03 | 0.06 |
| 0.61 | 0.71 | 0.38 | 0.30 |
| 2.15 | 2.20 | 2.30 | 1.73 |
| 12.29 | 11.03 | 8.80 | 7.67 |
| 1.62 | 1.10 | 0.58 | 0.60 |
| 5.77 | 6.13 | 3.18 | 2.77 |
| 0.95 | 1.91 | 1.17 | 0.83 |
| 0.57 | 0.34 | 0.23 | 0.14 |
| 0.47 | 0.52 | 0.36 | 0.23 |
| 0.51 | 0.51 | 0.34 | 0.11 |
| 0.80 | 1.30 | 0.85 | 0.46 |
| 1.65 | 0.89 | 1.20 | 1.25 |
| 12.34 | 12.70 | 7.91 | 6.39 |

CHAPTER 1 - BY SIZE OF FIRM

REPORT ON OPERATIONS - SALES = 100%

| | ALL FIRMS REPORTING | | SALES FROM $1.5 TO $5 MILLION** |
|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS* | ALL FIRMS |
| SALES OR VALUE OF PRODUCT PRODUCED | 100.00% | 100.00% | 100.00% |
| FACTORY COST OF PRODUCT | | | |
| MATERIALS | | | |
| Paper | 33.74 | 28.89 | 33.09 |
| Other chargeable materials | 6.73 | 7.15 | 6.48 |
| Outside services | 5.42 | 3.68 | 6.87 |
| TOTAL MATERIALS | 45.89 | 39.72 | 46.44 |
| FACTORY PAYROLL | 24.87 | 25.38 | 23.28 |
| FACTORY EXPENSES | 13.32 | 13.76 | 9.89 |
| TOTAL FACTORY COST OF PRODUCT | 84.08 | 78.86 | 79.61 |
| GROSS PROFIT | 15.92 | 21.14 | 20.39 |
| ADMINISTRATIVE AND SELLING EXPENSES | | | |
| Administrative expenses | 5.56 | 4.58 | 8.89 |
| Selling expenses | 5.37 | 4.01 | 6.48 |
| TOTAL ADMINISTRATIVE AND SELLING EXPENSES | 10.93 | 8.59 | 15.37 |
| INCOME BEFORE INTEREST EXPENSE | 4.99 | 12.55 | 5.02 |
| Interest expense | 2.14 | 1.30 | 2.21 |
| OPERATING INCOME | 2.85 | 11.25 | 2.81 |
| Other income | 0.60 | 0.75 | 0.70 |
| INCOME BEFORE INCOME TAXES | 3.45 | 12.00 | 3.51 |

SUPPORTING SCHEDULES - SALES = 100%

| | | | |
|---|---|---|---|
| OTHER CHARGEABLE MATERIALS | | | |
| Ink | 4.12% | 4.03% | 2.98% |
| Film | 0.61 | 0.76 | 0.87 |
| Plates | 0.84 | 0.88 | 1.68 |
| Other chargeable materials | 1.16 | 1.48 | 0.95 |
| TOTAL OTHER CHARGEABLE MATERIALS | 6.73 | 7.15 | 6.48 |
| OUTSIDE SERVICES | | | |
| Composition | 0.16 | 0.03 | 0.43 |
| Offset preparation | 0.84 | 0.58 | 0.12 |
| Printing | 1.51 | 1.01 | 1.41 |
| Binding | 1.78 | 1.16 | 4.18 |
| Other outside services | 1.13 | 0.90 | 0.73 |
| TOTAL OUTSIDE SERVICES | 5.42 | 3.68 | 6.87 |

* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.
** Sample insufficient for Profit Leaders.

| SALES FROM $5 TO $10 MILLION** | SALES FROM $10 TO $20 MILLION** | SALES OVER $20 MILLION | |
|---|---|---|---|
| ALL FIRMS | ALL FIRMS | ALL FIRMS | PROFIT LEADERS |
| 100.00% | 100.00% | 100.00% | 100.00% |
| 32.29 | 35.77 | 33.79 | 28.70 |
| 6.52 | 6.41 | 6.92 | 7.20 |
| 4.23 | 5.08 | 5.94 | 4.16 |
| 43.04 | 47.26 | 46.65 | 40.06 |
| 25.54 | 23.05 | 25.23 | 24.85 |
| 13.65 | 12.66 | 13.59 | 14.46 |
| 82.23 | 82.97 | 85.47 | 79.37 |
| 17.77 | 17.03 | 14.53 | 20.63 |
| 6.96 | 5.73 | 4.72 | 4.60 |
| 7.04 | 6.76 | 4.17 | 3.75 |
| 14.00 | 12.49 | 8.89 | 8.35 |
| 3.77 | 4.54 | 5.64 | 12.28 |
| 2.28 | 2.40 | 2.00 | 0.82 |
| 1.49 | 2.14 | 3.64 | 11.46 |
| 0.71 | 0.31 | 0.63 | 0.95 |
| 2.20 | 2.45 | 4.27 | 12.41 |
| 2.67% | 3.96% | 4.85% | 4.70% |
| 0.84 | 0.76 | 0.45 | 0.61 |
| 1.07 | 0.81 | 0.70 | 0.87 |
| 1.94 | 0.88 | 0.92 | 1.02 |
| 6.52 | 6.41 | 6.92 | 7.20 |
| 0.22 | 0.09 | 0.14 | 0.04 |
| 0.41 | 0.88 | 1.07 | 0.73 |
| 1.03 | 1.15 | 1.86 | 1.12 |
| 1.74 | 1.83 | 1.59 | 1.14 |
| 0.83 | 1.13 | 1.28 | 1.13 |
| 4.23 | 5.08 | 5.94 | 4.16 |

CHAPTER 1 - BY SIZE OF FIRM

SUPPORTING SCHEDULES - SALES = 100%

| | ALL FIRMS REPORTING | | SALES FROM $1.5 TO $5 MILLION** |
|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS |
| FACTORY PAYROLL | | | |
| Salaries - executive | 1.62% | 1.31% | 1.17% |
| Direct wages | 15.45 | 14.55 | 17.46 |
| General factory salaries and wages | 2.66 | 3.71 | 1.02 |
| Packing, shipping and delivery wages | 0.83 | 0.81 | 0.51 |
| Payroll taxes | 1.58 | 1.49 | 1.72 |
| Employee benefits | 2.73 | 3.51 | 1.40 |
| TOTAL FACTORY PAYROLL | 24.87 | 25.38 | 23.28 |
| FACTORY EXPENSES | | | |
| Fixed Expenses | | | |
| Depreciation - real estate | 0.23 | 0.21 | 0.00 |
| Depreciation - other | 3.59 | 3.94 | 1.66 |
| Taxes - real estate | 0.22 | 0.24 | 0.00 |
| Taxes - other | 0.21 | 0.06 | 0.25 |
| Insurance | 0.36 | 0.19 | 0.32 |
| Building rent | 0.56 | 0.41 | 1.70 |
| Utilities - heat, light, etc. | 1.70 | 1.72 | 1.09 |
| Equipment rental | 0.56 | 0.16 | 0.10 |
| Total Fixed Expenses | 7.43 | 6.93 | 5.12 |
| Other Expenses | | | |
| Factory supplies and expense | 2.42 | 2.71 | 1.11 |
| Packing, shipping and delivery expense | 0.92 | 1.30 | 1.81 |
| Repairs and maintenance | 1.68 | 1.47 | 1.35 |
| Other factory expenses | 0.87 | 1.35 | 0.50 |
| Total Other Expenses | 5.89 | 6.83 | 4.77 |
| TOTAL FACTORY EXPENSES | 13.32 | 13.76 | 9.89 |
| ADMINISTRATIVE EXPENSES | | | |
| Salaries - executive | 1.14 | 1.12 | 1.44 |
| Salaries - office | 1.28 | 1.09 | 2.07 |
| Payroll taxes | 0.17 | 0.13 | 0.30 |
| Employee benefits | 0.35 | 0.41 | 0.47 |
| Bad debts | 0.41 | 0.25 | 1.30 |
| Office supplies and expenses | 0.25 | 0.18 | 0.83 |
| Professional fees | 0.45 | 0.20 | 1.04 |
| Taxes - business | 0.05 | 0.03 | 0.51 |
| Telephone | 0.27 | 0.19 | 0.38 |
| Other administrative expenses | 1.19 | 0.98 | 0.55 |
| TOTAL ADMINISTRATIVE EXPENSES | 5.56 | 4.58 | 8.89 |
| SELLING EXPENSES | | | |
| Salaries - executive | 0.52 | 0.33 | 1.19 |
| Salaries and commissions - salesmen | 2.34 | 2.01 | 2.20 |
| Salaries - sales office clerical | 0.66 | 0.43 | 0.45 |
| Payroll taxes | 0.18 | 0.08 | 0.22 |
| Employee benefits | 0.23 | 0.13 | 0.19 |
| Advertising | 0.23 | 0.06 | 0.38 |
| Travel and entertainment | 0.52 | 0.25 | 1.60 |
| Other selling expenses | 0.69 | 0.72 | 0.25 |
| TOTAL SELLING EXPENSES | 5.37 | 4.01 | 6.48 |

** Sample insufficient for Profit Leaders.

| SALES FROM $5 TO $10 MILLION** | SALES FROM $10 TO $20 MILLION** | SALES OVER $20 MILLION | |
|---|---|---|---|
| ALL FIRMS | ALL FIRMS | ALL FIRMS | PROFIT LEADERS |
| 1.66% | 1.26% | 1.75% | 1.33% |
| 16.62 | 15.04 | 14.94 | 13.71 |
| 2.22 | 2.33 | 3.05 | 4.01 |
| 1.00 | 0.91 | 0.74 | 0.76 |
| 1.97 | 1.09 | 1.56 | 1.61 |
| 2.07 | 2.42 | 3.19 | 3.43 |
| 25.54 | 23.05 | 25.23 | 24.85 |
| 0.15 | 0.30 | 0.25 | 0.23 |
| 3.90 | 3.48 | 3.62 | 4.19 |
| 0.20 | 0.21 | 0.24 | 0.22 |
| 0.31 | 0.22 | 0.16 | 0.08 |
| 0.61 | 0.39 | 0.24 | 0.20 |
| 0.77 | 0.83 | 0.33 | 0.48 |
| 1.88 | 1.44 | 1.74 | 1.81 |
| 0.29 | 0.28 | 0.79 | 0.18 |
| 8.11 | 7.15 | 7.37 | 7.39 |
| 2.07 | 2.33 | 2.68 | 2.72 |
| 0.82 | 0.98 | 0.89 | 1.56 |
| 1.96 | 1.66 | 1.58 | 1.33 |
| 0.69 | 0.54 | 1.07 | 1.46 |
| 5.54 | 5.51 | 6.22 | 7.07 |
| 13.65 | 12.66 | 13.59 | 14.46 |
| 1.62 | 1.39 | 0.85 | 1.13 |
| 1.76 | 1.09 | 1.06 | 1.08 |
| 0.24 | 0.17 | 0.14 | 0.14 |
| 0.39 | 0.36 | 0.33 | 0.47 |
| 0.44 | 0.40 | 0.35 | 0.16 |
| 0.33 | 0.23 | 0.19 | 0.17 |
| 0.59 | 0.48 | 0.34 | 0.22 |
| 0.05 | 0.07 | 0.02 | 0.03 |
| 0.34 | 0.38 | 0.20 | 0.18 |
| 1.20 | 1.16 | 1.24 | 1.02 |
| 6.96 | 5.73 | 4.72 | 4.60 |
| 0.90 | 0.55 | 0.31 | 0.34 |
| 3.30 | 3.39 | 1.62 | 1.50 |
| 0.55 | 0.97 | 0.62 | 0.49 |
| 0.32 | 0.18 | 0.12 | 0.08 |
| 0.27 | 0.28 | 0.19 | 0.14 |
| 0.29 | 0.26 | 0.19 | 0.07 |
| 0.46 | 0.68 | 0.44 | 0.28 |
| 0.95 | 0.45 | 0.68 | 0.85 |
| 7.04 | 6.76 | 4.17 | 3.75 |

CHAPTER 1 - BY SIZE OF FIRM

BALANCE SHEET

| | ALL FIRMS REPORTING | | SALES FROM $1.5 TO $5 MILLION** |
|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS |
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash | 2.58% | 2.50% | 3.33% |
| Receivables | 28.69 | 24.32 | 47.40 |
| Inventories | 14.20 | 10.47 | 19.25 |
| Other current assets | 4.86 | 8.77 | 1.64 |
| TOTAL CURRENT ASSETS | 50.33 | 46.06 | 71.62 |
| FIXED ASSETS | | | |
| Real estate | 11.66 | 9.52 | 0.00 |
| Less: Accumulated depreciation | 3.64 | 2.61 | 0.00 |
| | 8.02 | 6.91 | 0.00 |
| Machinery and equipment | 71.43 | 71.30 | 89.92 |
| Less: Accumulated depreciation | 35.72 | 32.20 | 63.26 |
| | 35.71 | 39.10 | 26.66 |
| Other fixed assets | 4.28 | 3.03 | 9.27 |
| Less: Accumulated depreciation | 2.28 | 1.38 | 7.59 |
| | 2.00 | 1.65 | 1.68 |
| NET FIXED ASSETS | 45.73 | 47.66 | 28.34 |
| OTHER ASSETS | 3.94 | 6.28 | 0.04 |
| TOTAL ASSETS | 100.00 | 100.00 | 100.00 |
| LIABILITIES AND EQUITY | | | |
| CURRENT LIABILITIES | | | |
| Notes payable | 9.40 | 3.41 | 18.41 |
| Accounts payable | 15.71 | 12.69 | 31.70 |
| Other current liabilities | 7.42 | 5.37 | 5.89 |
| TOTAL CURRENT LIABILITIES | 32.53 | 21.47 | 56.00 |
| LONG-TERM LIABILITIES | 31.89 | 25.36 | 18.61 |
| TOTAL LIABILITIES | 64.42 | 46.83 | 74.61 |
| SHAREHOLDERS' AND PROPRIETORS' EQUITY | 35.58 | 53.17 | 25.39 |
| TOTAL LIABILITIES AND EQUITY | 100.00 | 100.00 | 100.00 |

BALANCE SHEET RATIOS

| | | | |
|---|---|---|---|
| CURRENT RATIO | 1.55 | 2.15 | 1.28 |
| QUICK RATIO | 1.11 | 1.66 | 0.94 |
| TOTAL LIABILITIES TO EQUITY | 1.81 | 0.88 | 2.94 |
| LONG-TERM LIABILITIES TO EQUITY | 0.90 | 0.48 | 0.73 |
| ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT | 0.50 | 0.45 | 0.70 |

** Sample insufficient for Profit Leaders.

| SALES FROM $5 TO $10 MILLION** | SALES FROM $10 TO $20 MILLION** | SALES OVER $20 MILLION | |
|---|---|---|---|
| ALL FIRMS | ALL FIRMS | ALL FIRMS | PROFIT LEADERS |
| 2.00% | 4.03% | 2.34% | 2.76% |
| 28.18 | 31.17 | 27.01 | 22.71 |
| 15.50 | 16.36 | 12.69 | 9.33 |
| 7.45 | 0.90 | 5.16 | 10.64 |
| 53.13 | 52.46 | 47.20 | 45.44 |
| 13.98 | 9.84 | 11.94 | 9.07 |
| 3.98 | 4.10 | 3.58 | 2.73 |
| 10.00 | 5.74 | 8.36 | 6.34 |
| 71.64 | 72.42 | 69.93 | 73.87 |
| 41.17 | 38.72 | 30.83 | 34.83 |
| 30.47 | 33.70 | 39.10 | 39.04 |
| 5.24 | 6.19 | 2.99 | 2.79 |
| 2.83 | 3.29 | 1.42 | 0.92 |
| 2.41 | 2.90 | 1.57 | 1.87 |
| 42.88 | 42.34 | 49.03 | 47.25 |
| 3.99 | 5.20 | 3.77 | 7.31 |
| 100.00 | 100.00 | 100.00 | 100.00 |
| 11.82 | 11.06 | 7.33 | 2.64 |
| 14.08 | 15.57 | 15.47 | 12.10 |
| 7.19 | 9.88 | 6.86 | 5.52 |
| 33.09 | 36.51 | 29.66 | 20.26 |
| 33.41 | 31.73 | 32.10 | 20.48 |
| 66.50 | 68.24 | 61.76 | 40.74 |
| 33.50 | 31.76 | 38.24 | 59.26 |
| 100.00 | 100.00 | 100.00 | 100.00 |
| 1.61 | 1.44 | 1.59 | 2.42 |
| 1.14 | 0.99 | 1.16 | 1.78 |
| 1.99 | 2.15 | 1.62 | 0.69 |
| 1.00 | 1.00 | 0.84 | 0.35 |
| 0.57 | 0.53 | 0.44 | 0.47 |

SIGNIFICANT FACTS

| | ALL FIRMS REPORTING | | SALES FROM $1.5 TO $5 MILLION** |
|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS |
| INVESTMENT | | | |
| Average assets per employee - All employees | $ 63,700 | $ 65,821 | $ 29,037 |
| Average assets per factory employee (Excluding Executives) | 80,449 | 79,759 | 38,261 |
| Average net worth per employee - All employees | 22,196 | 36,441 | 7,242 |
| Average gross plant investment per factory employee (Excluding Executives) | 68,280 | 68,017 | 38,426 |
| Net worth percentage of fixed assets | 100.81% | 119.33% | 150.85% |
| EMPLOYEES | | | |
| Percent factory - All employees | 83.90% | 87.43% | 78.64% |
| Percent administrative - All employees | 8.26 | 6.96 | 11.91 |
| Percent sales - All employees | 7.84 | 5.61 | 9.45 |
| SALES - VALUE OF PRODUCT PRODUCED INCLUDING EXECUTIVES | | | |
| Sales per employee - All employees | $ 105,874 | $ 107,200 | $ 94,132 |
| Sales per factory employee | 128,404 | 125,710 | 123,519 |
| Sales less material per factory employee | 67,377 | 72,975 | 66,861 |
| Sales per administrative employee | 1,478,600 | 1,628,108 | 776,211 |
| EXCLUDING EXECUTIVES | | | |
| Sales per employee - All employees | 113,073 | 112,963 | 101,498 |
| Sales per factory employee | 135,082 | 130,782 | 127,789 |
| Sales less material per factory employee | 70,944 | 75,841 | 69,185 |
| SALES PER SALESMAN | 2,327,268 | 3,415,057 | 841,667 |
| SALES TO CURRENT ASSETS | 387% | 388% | 450% |
| PAYROLL - INCLUDING TAXES AND BENEFITS INCLUDING EXECUTIVES | | | |
| Total payroll percentage of sales | 31.72% | 31.11% | 31.82% |
| Factory payroll percentage of gross plant investment | 57.95 | 51.72 | 76.27 |
| Payroll per employee - All employees | $ 32,188 | $ 32,028 | $ 30,511 |
| Payroll per factory employee | 30,075 | 29,820 | 28,803 |
| Payroll per administrative employee | 36,906 | 42,444 | 33,575 |
| Payroll per sales employee | 54,098 | 59,986 | 45,156 |
| PAYROLL - EXCLUDING TAXES AND BENEFITS EXCLUDING EXECUTIVES | | | |
| Payroll per employee - All employees | $ 25,182 | $ 24,502 | $ 24,226 |
| Payroll per factory employee | 24,040 | 23,176 | 24,172 |
| Payroll per administrative employee | 19,181 | 20,131 | 19,054 |
| Payroll per sales employee | 45,736 | 49,076 | 33,450 |
| EXECUTIVE PAYROLL | | | |
| Payroll per executive - All executives | 57,024 | 61,735 | 60,983 |
| Payroll per factory executive | 48,639 | 48,141 | 43,325 |
| Payroll per administrative executive | 76,760 | 93,605 | 76,698 |
| Payroll per sales executive | 67,130 | 65,111 | 81,694 |
| RECEIVABLES | | | |
| Collection period | 59.4 | 55.9 | 56.2 |
| PROFIT | | | |
| Gross profit percentage of sales | 15.92% | 21.14% | 20.39% |
| Average gross profit per factory employee | $ 22,077 | $ 27,541 | $ 27,996 |
| Income before taxes percentage of sales | 3.45% | 12.00% | 3.51% |
| Average income before taxes per employee | $ 3,863 | $ 12,377 | $ 4,137 |

** Sample insufficient for Profit Leaders.

| SALES FROM $5 TO $10 MILLION** | SALES FROM $10 TO $20 MILLION** | SALES OVER [illegible]0 MILLION | |
|---|---|---|---|
| ALL FIRMS | ALL FIRMS | ALL FIRMS | PROFIT LEADERS |
| $ 52,437 | $ 58,404 | $ 72,183 | $ 71,047 |
| 70,519 | 75,023 | 88,862 | 86,346 |
| 17,442 | 19,279 | 26,002 | 42,067 |
| 63,857 | 65,993 | 72,660 | 74,403 |
| 88.36% | 103.61% | 102.22% | 134.42% |
| 79.72% | 81.39% | 86.76% | 87.80% |
| 10.60 | 8.60 | 6.93 | 7.00 |
| 9.68 | 10.01 | 6.31 | 5.20 |
| $ 89,688 | $ 102,301 | $ 114,535 | $ 111,691 |
| 115,170 | 126,286 | 134,957 | 131,173 |
| 64,893 | 66,760 | 68,649 | 75,218 |
| 997,757 | 1,228,912 | 1,800,826 | 1,702,970 |
| 96,975 | 108,358 | 122,033 | 117,826 |
| 121,985 | 130,702 | 142,408 | 136,778 |
| 68,796 | 69,145 | 72,507 | 78,365 |
| 993,690 | 1,659,890 | 3,290,893 | 4,208,877 |
| 374% | 385% | 390% | 378% |
| 34.89% | 31.42% | 30.47% | 30.22% |
| 60.86 | 68.39 | 52.44 | 45.15 |
| $ 30,590 | $ 32,234 | $ 32,953 | $ 32,276 |
| 28,096 | 28,858 | 31,361 | 30,127 |
| 35,072 | 37,781 | 37,621 | 44,905 |
| 49,954 | 55,000 | 56,124 | 60,345 |
| $ 24,038 | $ 25,561 | $ 25,610 | $ 24,375 |
| 22,834 | 23,504 | 24,705 | 23,253 |
| 18,934 | 17,173 | 19,902 | 20,501 |
| 41,540 | 48,100 | 47,545 | 47,743 |
| 53,629 | 61,397 | 56,898 | 64,632 |
| 40,329 | 59,866 | 49,084 | 48,360 |
| 63,398 | 66,203 | 95,632 | 99,245 |
| 48,086 | 63,159 | 75,529 | 73,839 |
| 56.4 | 60.3 | 60.6 | 55.6 |
| 17.77% | 17.03% | 14.53% | 20.63% |
| $ 22,880 | $ 22,852 | $ 21,143 | $ 28,244 |
| 2.20% | 2.45% | 4.27% | 12.41% |
| $ 1,985 | $ 2,679 | $ 5,002 | $ 13,159 |

RETURN ON INVESTMENT - PER $100 OF SALES

| | ALL FIRMS REPORTING | | SALES FROM $1.5 TO $5 MILLION** |
|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS |
| INVESTMENT | | | |
| Current Assets: | | | |
| Cash | $ 1.51 | $ 1.53 | $ 1.16 |
| Receivables | 15.67 | 14.83 | 14.68 |
| Inventories | 7.74 | 6.28 | 6.22 |
| Marketable securities | 1.35 | 4.15 | 0.13 |
| Other current assets | 2.03 | 2.83 | 0.29 |
| | 28.30 | 29.62 | 22.48 |
| Plant Investment: | | | |
| Land and building | 7.56 | 5.83 | 0.00 |
| Machinery and equipment | 42.72 | 44.72 | 28.45 |
| Other fixed assets | 2.29 | 1.81 | 2.15 |
| | 52.57 | 52.36 | 30.60 |
| Non-Current Assets | 2.77 | 3.97 | 0.02 |
| TOTAL INVESTMENT | 83.64 | 85.95 | 53.10 |
| INVESTMENT TURNOVER PER $100 OF SALES | 119.56% | 116.35% | 188.32% |
| EARNINGS | | | |
| Cost of Product | $84.08 | $78.86 | $79.61 |
| Selling Expenses | 5.37 | 4.01 | 6.48 |
| Administrative Expenses | 5.56 | 4.58 | 8.89 |
| | 95.01 | 87.45 | 94.98 |
| Income Before Interest, Other Income, and Taxes | 4.99 | 12.55 | 5.02 |
| RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME | 5.97% | 14.60% | 9.45% |

** Sample insufficient for Profit Leaders.

| SALES FROM $5 TO $10 MILLION** | SALES FROM $10 TO $20 MILLION** | SALES OVER $20 MILLION | |
|---|---|---|---|
| ALL FIRMS | ALL FIRMS | ALL FIRMS | PROFIT LEADERS |
| $ 1.10 | $ 2.53 | $ 1.39 | $ 1.77 |
| 14.91 | 15.82 | 16.02 | 14.77 |
| 7.92 | 8.37 | 7.57 | 5.87 |
| 2.22 | 0.04 | 1.45 | 5.14 |
| 2.77 | 0.43 | 2.30 | 3.41 |
| 28.92 | 27.19 | 28.73 | 30.96 |
| 9.32 | 6.06 | 7.73 | 5.95 |
| 42.15 | 41.33 | 44.25 | 47.87 |
| 2.80 | 3.16 | 1.82 | 1.66 |
| 54.27 | 50.55 | 53.80 | 55.48 |
| 1.98 | 3.34 | 3.09 | 4.64 |
| 85.17 | 81.08 | 85.62 | 91.08 |
| 117.41% | 123.33% | 116.80% | 109.79% |
| $82.23 | $82.97 | $85.47 | $79.37 |
| 7.04 | 6.76 | 4.17 | 3.75 |
| 6.96 | 5.73 | 4.72 | 4.60 |
| 96.23 | 95.46 | 94.36 | 87.72 |
| 3.77 | 4.54 | 5.64 | 12.28 |
| 4.43% | 5.60% | 6.59% | 13.48% |

REPORT ON OPERATIONS - VALUE ADDED = 100%

| | COMMERCIAL AND ADVERTISING | | MAGAZINE AND PERIODICAL | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| SALES OR VALUE OF PRODUCT PRODUCED | X | X | X | X |
| LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES | X | X | X | X |
| VALUE ADDED BY MANUFACTURE | 100.00% | 100.00% | 100.00% | 100.00% |
| FACTORY PAYROLL | 44.65 | 40.82 | 46.82 | 42.52 |
| FACTORY EXPENSES | 24.34 | 21.60 | 25.27 | 23.91 |
| TOTAL FACTORY COST OF PRODUCT | 68.99 | 62.42 | 72.09 | 66.43 |
| GROSS PROFIT | 31.01 | 37.58 | 27.91 | 33.57 |
| ADMINISTRATIVE AND SELLING EXPENSES | | | | |
| Administrative expenses | 10.21 | 8.46 | 10.09 | 7.07 |
| Selling expenses | 11.27 | 8.65 | 7.97 | 5.44 |
| TOTAL ADMINISTRATIVE AND SELLING EXPENSES | 21.48 | 17.11 | 18.06 | 12.51 |
| INCOME BEFORE INTEREST EXPENSE | 9.53 | 20.47 | 9.85 | 21.06 |
| Interest expense | 3.96 | 2.10 | 4.75 | 2.15 |
| OPERATING INCOME | 5.57 | 18.37 | 5.10 | 18.91 |
| Other income | 0.86 | 1.52 | 0.98 | 1.25 |
| INCOME BEFORE INCOME TAXES | 6.43 | 19.89 | 6.08 | 20.16 |

SUPPORTING SCHEDULES - VALUE ADDED = 100%

| | COMMERCIAL AND ADVERTISING | | MAGAZINE AND PERIODICAL | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| FACTORY PAYROLL | | | | |
| Salaries - executive | 3.13% | 2.27% | 2.65% | 2.28% |
| Direct wages | 28.26 | 23.19 | 29.28 | 23.99 |
| General factory salaries and wages | 3.97 | 4.60 | 5.97 | 7.29 |
| Packing, shipping and delivery wages | 1.96 | 2.80 | 1.14 | 0.50 |
| Payroll taxes | 2.81 | 1.41 | 2.88 | 3.08 |
| Employee benefits | 4.52 | 6.55 | 4.90 | 5.38 |
| TOTAL FACTORY PAYROLL | 44.65 | 40.82 | 46.82 | 42.52 |
| FACTORY EXPENSES | | | | |
| Fixed Expenses | | | | |
| Depreciation - real estate | 0.36 | 0.15 | 0.45 | 0.44 |
| Depreciation - other | 6.97 | 6.12 | 6.45 | 6.92 |
| Taxes - real estate | 0.45 | 0.63 | 0.32 | 0.29 |
| Taxes - other | 0.44 | 0.11 | 0.28 | 0.12 |
| Insurance | 0.77 | 0.29 | 0.57 | 0.35 |
| Building rent | 1.12 | 1.02 | 1.24 | 0.43 |
| Utilities - heat, light, etc. | 3.24 | 3.26 | 3.14 | 2.74 |
| Equipment rental | 1.01 | 0.21 | 1.39 | 0.29 |
| Total Fixed Expenses | 14.36 | 11.79 | 13.84 | 11.58 |
| Other Expenses | | | | |
| Factory supplies and expense | 3.97 | 4.28 | 4.63 | 4.59 |
| Packing, shipping and delivery expense | 1.63 | 0.89 | 1.97 | 2.98 |
| Repairs and maintenance | 3.06 | 3.24 | 2.99 | 2.02 |
| Other factory expenses | 1.32 | 1.40 | 1.84 | 2.74 |
| Total Other Expenses | 9.98 | 9.81 | 11.43 | 12.33 |
| TOTAL FACTORY EXPENSES | 24.34 | 21.60 | 25.27 | 23.91 |
| ADMINISTRATIVE EXPENSES | | | | |
| Salaries - executive | 2.24 | 2.21 | 1.90 | 1.66 |
| Salaries - office | 2.23 | 1.65 | 2.43 | 1.91 |
| Payroll taxes | 0.31 | 0.16 | 0.31 | 0.24 |
| Employee benefits | 0.57 | 0.24 | 0.73 | 0.91 |
| Bad debts | 0.74 | 0.34 | 0.92 | 0.49 |
| Office supplies and expenses | 0.46 | 0.24 | 0.57 | 0.35 |
| Professional fees | 0.91 | 0.41 | 0.76 | 0.29 |
| Taxes - business | 0.05 | 0.01 | 0.16 | 0.07 |
| Telephone | 0.55 | 0.35 | 0.47 | 0.29 |
| Other administrative expenses | 2.15 | 2.85 | 1.84 | 0.86 |
| TOTAL ADMINISTRATIVE EXPENSES | 10.21 | 8.46 | 10.09 | 7.07 |
| SELLING EXPENSES | | | | |
| Salaries - executive | 1.07 | 0.54 | 0.82 | 0.62 |
| Salaries and commissions - salesmen | 5.47 | 6.35 | 2.68 | 1.55 |
| Salaries - sales office clerical | 1.17 | 0.59 | 1.26 | 0.82 |
| Payroll taxes | 0.35 | 0.10 | 0.28 | 0.17 |
| Employee benefits | 0.35 | 0.18 | 0.39 | 0.25 |
| Advertising | 0.43 | 0.09 | 0.46 | 0.11 |
| Travel and entertainment | 0.95 | 0.27 | 1.04 | 0.51 |
| Other selling expenses | 1.48 | 0.53 | 1.04 | 1.41 |
| TOTAL SELLING EXPENSES | 11.27 | 8.65 | 7.97 | 5.44 |

REPORT ON OPERATIONS - SALES = 100%

| | COMMERCIAL AND ADVERTISING | | MAGAZINE AND PERIODICAL | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| SALES OR VALUE OF PRODUCT PRODUCED | 100.00% | 100.00% | 100.00% | 100.00% |
| FACTORY COST OF PRODUCT | | | | |
| MATERIALS | | | | |
| Paper | 35.80 | 33.06 | 31.98 | 26.13 |
| Other chargeable materials | 6.55 | 6.84 | 7.22 | 7.35 |
| Outside services | 6.42 | 5.73 | 3.78 | 2.31 |
| TOTAL MATERIALS | 48.77 | 45.63 | 42.98 | 35.79 |
| FACTORY PAYROLL | 22.92 | 22.16 | 26.46 | 27.52 |
| FACTORY EXPENSES | 12.39 | 11.52 | 14.43 | 15.25 |
| TOTAL FACTORY COST OF PRODUCT | 84.08 | 79.31 | 83.87 | 78.56 |
| GROSS PROFIT | 15.92 | 20.69 | 16.13 | 21.44 |
| ADMINISTRATIVE AND SELLING EXPENSES | | | | |
| Administrative expenses | 5.32 | 4.76 | 5.64 | 4.46 |
| Selling expenses | 5.89 | 4.77 | 4.43 | 3.50 |
| TOTAL ADMINISTRATIVE AND SELLING EXPENSES | 11.21 | 9.53 | 10.07 | 7.96 |
| INCOME BEFORE INTEREST EXPENSE | 4.71 | 11.16 | 6.06 | 13.48 |
| Interest expense | 1.96 | 1.30 | 2.58 | 1.30 |
| OPERATING INCOME | 2.75 | 9.86 | 3.48 | 12.18 |
| Other income | 0.47 | 0.69 | 0.53 | 0.78 |
| INCOME BEFORE INCOME TAXES | 3.22 | 10.55 | 4.01 | 12.96 |

SUPPORTING SCHEDULES - SALES = 100%

| | | | | |
|---|---|---|---|---|
| OTHER CHARGEABLE MATERIALS | | | | |
| Ink | 4.32% | 4.70% | 4.38% | 3.42% |
| Film | 0.59 | 0.58 | 0.72 | 0.91 |
| Plates | 0.80 | 0.66 | 0.96 | 1.06 |
| Other chargeable materials | 0.84 | 0.90 | 1.16 | 1.96 |
| TOTAL OTHER CHARGEABLE MATERIALS | 6.55 | 6.84 | 7.22 | 7.35 |
| OUTSIDE SERVICES | | | | |
| Composition | 0.16 | 0.00 | 0.16 | 0.06 |
| Offset preparation | 0.95 | 0.63 | 0.76 | 0.58 |
| Printing | 1.87 | 1.97 | 0.68 | 0.32 |
| Binding | 2.21 | 2.21 | 1.32 | 0.42 |
| Other outside services | 1.23 | 0.92 | 0.86 | 0.93 |
| TOTAL OUTSIDE SERVICES | 6.42 | 5.73 | 3.78 | 2.31 |

SUPPORTING SCHEDULES - SALES = 100%

| | COMMERCIAL AND ADVERTISING | | MAGAZINE AND PERIODICAL | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| FACTORY PAYROLL | | | | |
| Salaries - executive | 1.63% | 1.14% | 1.53% | 1.42% |
| Direct wages | 14.49 | 12.85 | 16.43 | 15.67 |
| General factory salaries and wages | 2.04 | 2.29 | 3.37 | 4.65 |
| Packing, shipping and delivery wages | 1.01 | 1.58 | 0.64 | 0.30 |
| Payroll taxes | 1.44 | 0.76 | 1.68 | 1.99 |
| Employee benefits | 2.31 | 3.54 | 2.81 | 3.49 |
| TOTAL FACTORY PAYROLL | 22.92 | 22.16 | 26.46 | 27.52 |
| FACTORY EXPENSES | | | | |
| Fixed Expenses | | | | |
| Depreciation - real estate | 0.18 | 0.09 | 0.26 | 0.29 |
| Depreciation - other | 3.53 | 3.16 | 3.73 | 4.45 |
| Taxes - real estate | 0.22 | 0.33 | 0.17 | 0.18 |
| Taxes - other | 0.23 | 0.04 | 0.16 | 0.08 |
| Insurance | 0.41 | 0.15 | 0.31 | 0.22 |
| Building rent | 0.57 | 0.57 | 0.67 | 0.30 |
| Utilities - heat, light, etc. | 1.64 | 1.68 | 1.80 | 1.75 |
| Equipment rental | 0.48 | 0.12 | 0.80 | 0.18 |
| Total Fixed Expenses | 7.26 | 6.14 | 7.90 | 7.45 |
| Other Expenses | | | | |
| Factory supplies and expense | 2.03 | 2.32 | 2.67 | 2.98 |
| Packing, shipping and delivery expense | 0.82 | 0.49 | 1.11 | 1.84 |
| Repairs and maintenance | 1.57 | 1.77 | 1.68 | 1.27 |
| Other factory expenses | 0.71 | 0.80 | 1.07 | 1.71 |
| Total Other Expenses | 5.13 | 5.38 | 6.53 | 7.80 |
| TOTAL FACTORY EXPENSES | 12.39 | 11.52 | 14.43 | 15.25 |
| ADMINISTRATIVE EXPENSES | | | | |
| Salaries - executive | 1.19 | 1.25 | 1.08 | 1.05 |
| Salaries - office | 1.16 | 0.92 | 1.35 | 1.20 |
| Payroll taxes | 0.16 | 0.09 | 0.18 | 0.15 |
| Employee benefits | 0.30 | 0.13 | 0.42 | 0.60 |
| Bad debts | 0.37 | 0.18 | 0.51 | 0.30 |
| Office supplies and expenses | 0.24 | 0.13 | 0.31 | 0.22 |
| Professional fees | 0.46 | 0.23 | 0.42 | 0.18 |
| Taxes - business | 0.03 | 0.00 | 0.09 | 0.04 |
| Telephone | 0.28 | 0.19 | 0.26 | 0.18 |
| Other administrative expenses | 1.13 | 1.64 | 1.02 | 0.54 |
| TOTAL ADMINISTRATIVE EXPENSES | 5.32 | 4.76 | 5.64 | 4.46 |
| SELLING EXPENSES | | | | |
| Salaries - executive | 0.54 | 0.27 | 0.45 | 0.38 |
| Salaries and commissions - salesmen | 2.88 | 3.55 | 1.46 | 0.95 |
| Salaries - sales office clerical | 0.59 | 0.31 | 0.70 | 0.51 |
| Payroll taxes | 0.18 | 0.05 | 0.16 | 0.10 |
| Employee benefits | 0.18 | 0.10 | 0.22 | 0.16 |
| Advertising | 0.23 | 0.05 | 0.26 | 0.07 |
| Travel and entertainment | 0.49 | 0.14 | 0.56 | 0.33 |
| Other selling expenses | 0.80 | 0.30 | 0.62 | 1.00 |
| TOTAL SELLING EXPENSES | 5.89 | 4.77 | 4.43 | 3.50 |

BALANCE SHEET

| | COMMERCIAL AND ADVERTISING | | MAGAZINE AND PERIODICAL | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| ASSETS | | | | |
| CURRENT ASSETS | | | | |
| Cash | 2.37% | 0.21% | 2.59% | 4.02% |
| Receivables | 29.90 | 27.03 | 27.06 | 22.53 |
| Inventories | 14.77 | 11.16 | 12.18 | 10.00 |
| Other current assets | 3.03 | 1.47 | 7.50 | 13.63 |
| TOTAL CURRENT ASSETS | 50.07 | 39.87 | 49.33 | 50.18 |
| FIXED ASSETS | | | | |
| Real estate | 10.05 | 3.96 | 11.82 | 13.22 |
| Less: Accumulated depreciation | 3.39 | 2.08 | 2.95 | 2.96 |
| | 6.66 | 1.88 | 8.87 | 10.26 |
| Machinery and equipment | 70.72 | 81.65 | 72.95 | 64.39 |
| Less: Accumulated depreciation | 35.51 | 35.41 | 35.26 | 30.05 |
| | 35.21 | 46.24 | 37.69 | 34.34 |
| Other fixed assets | 5.07 | 5.90 | 3.93 | 1.12 |
| Less: Accumulated depreciation | 2.53 | 2.49 | 2.34 | 0.64 |
| | 2.54 | 3.41 | 1.59 | 0.48 |
| NET FIXED ASSETS | 44.41 | 51.53 | 48.15 | 45.08 |
| OTHER ASSETS | 5.52 | 8.60 | 2.52 | 4.74 |
| TOTAL ASSETS | 100.00 | 100.00 | 100.00 | 100.00 |
| LIABILITIES AND EQUITY | | | | |
| CURRENT LIABILITIES | | | | |
| Notes payable | 8.01 | 2.72 | 10.85 | 3.88 |
| Accounts payable | 15.54 | 18.15 | 16.62 | 9.03 |
| Other current liabilities | 8.08 | 4.73 | 6.49 | 5.80 |
| TOTAL CURRENT LIABILITIES | 31.63 | 25.60 | 33.96 | 18.71 |
| LONG-TERM LIABILITIES | 30.11 | 22.53 | 33.61 | 27.25 |
| TOTAL LIABILITIES | 61.74 | 48.13 | 67.57 | 45.96 |
| SHAREHOLDERS' AND PROPRIETORS' EQUITY | 38.26 | 51.87 | 32.43 | 54.04 |
| TOTAL LIABILITIES AND EQUITY | 100.00 | 100.00 | 100.00 | 100.00 |

BALANCE SHEET RATIOS

| | | | | |
|---|---|---|---|---|
| CURRENT RATIO | 1.58 | 1.56 | 1.45 | 2.68 |
| QUICK RATIO | 1.12 | 1.12 | 1.09 | 2.15 |
| TOTAL LIABILITIES TO EQUITY | 1.61 | 0.93 | 2.08 | 0.85 |
| LONG-TERM LIABILITIES TO EQUITY | 0.79 | 0.43 | 1.04 | 0.50 |
| ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT | 0.50 | 0.43 | 0.48 | 0.47 |

| | COMMERCIAL AND ADVERTISING | | MAGAZINE AND PERIODICAL | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| INVESTMENT | | | | |
| Average assets per employee - All employees | $ 70,015 | $ 82,722 | $ 56,261 | $ 54,554 |
| Average assets per factory employee (Excluding Executives) | 90,649 | 105,720 | 66,991 | 62,452 |
| Average net worth per employee - All employees | 26,614 | 44,896 | 17,737 | 30,805 |
| Average gross plant investment per factory employee (Excluding Executives) | 74,776 | 94,878 | 58,632 | 50,109 |
| Net worth percentage of fixed assets | 101.48% | 104.96% | 89.53% | 128.92% |
| EMPLOYEES | | | | |
| Percent factory - All employees | 82.20% | 83.24% | 86.29% | 90.22% |
| Percent administrative - All employees | 8.70 | 8.21 | 7.79 | 6.13 |
| Percent sales - All employees | 9.10 | 8.55 | 5.92 | 3.65 |
| SALES - VALUE OF PRODUCT PRODUCED INCLUDING EXECUTIVES | | | | |
| Sales per employee - All employees | $ 119,881 | $ 140,392 | $ 89,639 | $ 85,073 |
| Sales per factory employee | 147,756 | 171,914 | 104,775 | 94,906 |
| Sales less material per factory employee | 73,672 | 92,042 | 58,702 | 60,263 |
| Sales per administrative employee | 1,563,868 | 1,944,360 | 1,286,157 | 1,417,274 |
| EXCLUDING EXECUTIVES | | | | |
| Sales per employee - All employees | 128,418 | 148,410 | 94,632 | 89,332 |
| Sales per factory employee | 156,041 | 179,311 | 108,532 | 98,430 |
| Sales less material per factory employee | 77,895 | 95,937 | 60,880 | 62,444 |
| SALES PER SALESMAN | 1,681,936 | 2,117,167 | 3,292,627 | 4,193,790 |
| SALES TO CURRENT ASSETS | 407% | 449% | 380% | 348% |
| PAYROLL - INCLUDING TAXES AND BENEFITS INCLUDING EXECUTIVES | | | | |
| Total payroll percentage of sales | 30.10% | 28.83% | 32.49% | 32.63% |
| Factory payroll percentage of gross plant investment | 59.92 | 41.19 | 55.39 | 58.74 |
| Payroll per employee - All employees | $ 34,227 | $ 38,843 | $ 28,820 | $ 27,485 |
| Payroll per factory employee | 31,846 | 36,285 | 27,233 | 25,510 |
| Payroll per administrative employee | 36,398 | 43,193 | 36,009 | 41,945 |
| Payroll per sales employee | 57,350 | 71,286 | 50,426 | 52,452 |
| PAYROLL - EXCLUDING TAXES AND BENEFITS EXCLUDING EXECUTIVES | | | | |
| Payroll per employee - All employees | $ 27,069 | $ 30,403 | $ 22,513 | $ 20,568 |
| Payroll per factory employee | 25,668 | 28,236 | 21,939 | 19,802 |
| Payroll per administrative employee | 18,414 | 20,057 | 19,191 | 20,181 |
| Payroll per sales employee | 50,906 | 66,744 | 40,094 | 37,297 |
| EXECUTIVE PAYROLL | | | | |
| Payroll per executive - All executives | 59,098 | 70,512 | 56,713 | 55,884 |
| Payroll per factory executive | 48,621 | 58,074 | 51,173 | 41,518 |
| Payroll per administrative executive | 79,994 | 97,269 | 74,356 | 91,162 |
| Payroll per sales executive | 64,583 | 44,095 | 68,882 | 79,122 |
| RECEIVABLES | | | | |
| Collection period | 59.3 | 60.4 | 58.0 | 52.8 |
| PROFIT | | | | |
| Gross profit percentage of sales | 15.92% | 20.69% | 16.13% | 21.44% |
| Average gross profit per factory employee | $ 25,437 | $ 37,306 | $ 17,448 | $ 21,031 |
| Income before taxes percentage of sales | 3.22% | 10.55% | 4.01% | 12.96% |
| Average income before taxes per employee | $ 4,335 | $ 14,694 | $ 3,601 | $ 10,833 |

RETURN ON INVESTMENT - PER $100 OF SALES

| | COMMERCIAL AND ADVERTISING | | MAGAZINE AND PERIODICAL | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| INVESTMENT | | | | |
| Current Assets: | | | | |
| Cash | $ 1.43 | $ 0.15 | $ 1.44 | $ 2.45 |
| Receivables | 15.68 | 16.18 | 15.16 | 13.94 |
| Inventories | 7.49 | 6.42 | 7.08 | 6.18 |
| Marketable securities | 0.36 | 0.11 | 2.09 | 6.85 |
| Other current assets | 1.42 | 0.76 | 3.40 | 4.21 |
| | 26.38 | 23.62 | 29.17 | 33.63 |
| Plant Investment: | | | | |
| Land and building | 6.23 | 2.36 | 7.95 | 8.13 |
| Machinery and equipment | 40.24 | 48.35 | 45.32 | 42.31 |
| Other fixed assets | 2.60 | 3.34 | 2.19 | 0.78 |
| | 49.07 | 54.05 | 55.46 | 51.22 |
| Non-Current Assets | 3.94 | 5.07 | 1.74 | 3.24 |
| TOTAL INVESTMENT | 79.39 | 82.74 | 86.37 | 88.09 |
| INVESTMENT TURNOVER PER $100 OF SALES | 125.96% | 120.86% | 115.78% | 113.52% |
| EARNINGS | | | | |
| Cost of Product | $84.08 | $79.31 | $83.87 | $78.56 |
| Selling Expenses | 5.89 | 4.77 | 4.43 | 3.50 |
| Administrative Expenses | 5.32 | 4.76 | 5.64 | 4.46 |
| | 95.29 | 88.84 | 93.94 | 86.52 |
| Income Before Interest, Other Income, and Taxes | 4.71 | 11.16 | 6.06 | 13.48 |
| RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME | 5.93% | 13.49% | 7.02% | 15.30% |

CHAPTER 3 - BY PERCENTAGE OF PAPER SUPPLIED

REPORT ON OPERATIONS - VALUE ADDED = 100%

| | 0% TO 11%** | 11% TO 21% | |
|---|---|---|---|
| | ALL FIRMS | ALL FIRMS | PROFIT LEADERS |
| SALES OR VALUE OF PRODUCT PRODUCED | X | X | X |
| LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES | X | X | X |
| VALUE ADDED BY MANUFACTURE | 100.00% | 100.00% | 100.00% |
| FACTORY PAYROLL | 46.89 | 46.10 | 39.06 |
| FACTORY EXPENSES | 24.36 | 24.82 | 22.84 |
| TOTAL FACTORY COST OF PRODUCT | 71.25 | 70.92 | 61.90 |
| GROSS PROFIT | 28.75 | 29.08 | 38.10 |
| ADMINISTRATIVE AND SELLING EXPENSES | | | |
| Administrative expenses | 11.47 | 9.23 | 9.41 |
| Selling expenses | 11.25 | 8.01 | 6.24 |
| TOTAL ADMINISTRATIVE AND SELLING EXPENSES | 22.72 | 17.24 | 15.65 |
| INCOME BEFORE INTEREST EXPENSE | 6.03 | 11.84 | 22.45 |
| Interest expense | 4.23 | 3.94 | 3.33 |
| OPERATING INCOME | 1.80 | 7.90 | 19.12 |
| Other income | 1.09 | 1.25 | 0.20 |
| INCOME BEFORE INCOME TAXES | 2.89 | 9.15 | 19.32 |

** Sample insufficient for Profit Leaders.

| 21% TO 41% | | 41% TO 61%** | OVER 61% | |
|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | ALL FIRMS | PROFIT LEADERS |
| X | X | X | X | X |
| X | X | X | X | X |
| 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| 47.64 | 34.74 | 46.34 | 48.25 | 48.11 |
| 26.13 | 29.72 | 25.84 | 27.93 | 19.33 |
| 73.77 | 64.46 | 72.18 | 76.18 | 67.44 |
| 26.23 | 35.54 | 27.82 | 23.82 | 32.56 |
| 10.87 | 9.55 | 8.86 | 8.02 | 5.55 |
| 8.61 | 6.02 | 5.85 | 6.31 | 6.31 |
| 19.48 | 15.57 | 14.71 | 14.33 | 11.86 |
| 6.75 | 19.97 | 13.11 | 9.49 | 20.70 |
| 4.35 | 1.96 | 3.39 | 3.41 | 0.15 |
| 2.40 | 18.01 | 9.72 | 6.08 | 20.55 |
| 1.63 | 3.61 | 1.87 | 0.94 | 0.36 |
| 4.03 | 21.62 | 11.56 | 7.02 | 20.91 |

SUPPORTING SCHEDULES - VALUE ADDED = 100%

| | 0% TO 11%** | 11% TO 21% | |
|---|---|---|---|
| | ALL FIRMS | ALL FIRMS | PROFIT LEADERS |
| FACTORY PAYROLL | | | |
| Salaries - executive | 3.04% | 2.95% | 3.39% |
| Direct wages | 29.80 | 27.06 | 17.37 |
| General factory salaries and wages | 4.57 | 5.21 | 6.74 |
| Packing, shipping and delivery wages | 1.16 | 2.73 | 3.16 |
| Payroll taxes | 2.85 | 3.29 | 2.80 |
| Employee benefits | 5.47 | 4.86 | 5.60 |
| TOTAL FACTORY PAYROLL | 46.89 | 46.10 | 39.06 |
| FACTORY EXPENSES | | | |
| Fixed Expenses | | | |
| Depreciation - real estate | 0.43 | 0.31 | 0.28 |
| Depreciation - other | 6.67 | 7.34 | 6.23 |
| Taxes - real estate | 0.34 | 0.50 | 0.47 |
| Taxes - other | 0.28 | 0.49 | 0.01 |
| Insurance | 0.82 | 0.50 | 0.30 |
| Building rent | 1.43 | 0.71 | 0.46 |
| Utilities - heat, light, etc. | 2.68 | 3.58 | 3.17 |
| Equipment rental | 1.00 | 1.27 | 0.50 |
| Total Fixed Expenses | 13.65 | 14.70 | 11.42 |
| Other Expenses | | | |
| Factory supplies and expense | 4.88 | 4.33 | 6.03 |
| Packing, shipping and delivery expense | 1.67 | 1.25 | 0.94 |
| Repairs and maintenance | 2.75 | 2.99 | 2.72 |
| Other factory expenses | 1.41 | 1.55 | 1.73 |
| Total Other Expenses | 10.71 | 10.12 | 11.42 |
| TOTAL FACTORY EXPENSES | 24.36 | 24.82 | 22.84 |
| ADMINISTRATIVE EXPENSES | | | |
| Salaries - executive | 2.61 | 1.91 | 1.64 |
| Salaries - office | 1.91 | 2.52 | 2.28 |
| Payroll taxes | 0.33 | 0.36 | 0.29 |
| Employee benefits | 0.74 | 0.48 | 0.33 |
| Bad debts | 0.85 | 0.75 | 0.86 |
| Office supplies and expenses | 0.59 | 0.52 | 0.50 |
| Professional fees | 0.83 | 0.50 | 0.23 |
| Taxes - business | 0.14 | 0.06 | 0.09 |
| Telephone | 0.59 | 0.41 | 0.18 |
| Other administrative expenses | 2.88 | 1.72 | 3.01 |
| TOTAL ADMINISTRATIVE EXPENSES | 11.47 | 9.23 | 9.41 |
| SELLING EXPENSES | | | |
| Salaries - executive | 1.02 | 0.69 | 0.78 |
| Salaries and commissions - salesmen | 5.05 | 4.14 | 4.34 |
| Salaries - sales office clerical | 1.63 | 1.07 | 0.38 |
| Payroll taxes | 0.40 | 0.28 | 0.13 |
| Employee benefits | 0.59 | 0.26 | 0.17 |
| Advertising | 0.43 | 0.30 | 0.00 |
| Travel and entertainment | 0.98 | 0.74 | 0.35 |
| Other selling expenses | 1.15 | 0.53 | 0.09 |
| TOTAL SELLING EXPENSES | 11.25 | 8.01 | 6.24 |

** Sample insufficient for Profit Leaders.

| 21% TO 41% | | 41% TO 61%** | OVER 61% | |
|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | ALL FIRMS | PROFIT LEADERS |
| 3.25% | 2.44% | 1.98% | 2.66% | 1.30% |
| 30.96 | 22.40 | 24.33 | 30.21 | 33.00 |
| 4.09 | 2.40 | 11.44 | 5.03 | 4.85 |
| 1.48 | 0.81 | 1.09 | 1.25 | 0.22 |
| 2.77 | 2.42 | 3.09 | 3.54 | 3.46 |
| 5.09 | 4.27 | 4.41 | 5.56 | 5.28 |
| 47.64 | 34.74 | 46.34 | 48.25 | 48.11 |
| 0.31 | 0.41 | 0.59 | 0.68 | 0.51 |
| 7.45 | 7.65 | 6.25 | 7.11 | 6.82 |
| 0.46 | 0.31 | 0.17 | 0.45 | 0.31 |
| 0.32 | 0.15 | 0.47 | 0.43 | 0.10 |
| 0.73 | 0.68 | 0.56 | 0.40 | 0.19 |
| 1.23 | 1.62 | 0.16 | 0.49 | 0.89 |
| 3.25 | 3.09 | 3.25 | 4.21 | 2.76 |
| 0.60 | 0.39 | 0.28 | 2.79 | 0.02 |
| 14.35 | 14.30 | 11.73 | 16.56 | 11.60 |
| 4.02 | 2.89 | 4.90 | 4.90 | 4.42 |
| 2.58 | 5.97 | 2.99 | 0.83 | 0.64 |
| 3.48 | 2.73 | 2.92 | 3.70 | 1.62 |
| 1.70 | 3.83 | 3.30 | 1.94 | 1.05 |
| 11.78 | 15.42 | 14.11 | 11.37 | 7.73 |
| 26.13 | 29.72 | 25.84 | 27.93 | 19.33 |
| 1.95 | 3.50 | 1.46 | 1.81 | 1.17 |
| 2.44 | 1.73 | 3.06 | 2.02 | 1.64 |
| 0.22 | 0.23 | 0.26 | 0.38 | 0.23 |
| 0.67 | 1.28 | 0.41 | 0.70 | 1.00 |
| 0.68 | (0.12) | 0.33 | 0.49 | 0.06 |
| 0.47 | 0.31 | 0.31 | 0.18 | 0.15 |
| 1.44 | 0.98 | 0.58 | 0.85 | 0.15 |
| 0.03 | 0.09 | 0.03 | 0.08 | 0.00 |
| 0.51 | 0.39 | 0.70 | 0.29 | 0.19 |
| 2.46 | 1.16 | 1.72 | 1.22 | 0.96 |
| 10.87 | 9.55 | 8.86 | 8.02 | 5.55 |
| 1.27 | 1.10 | 0.49 | 0.63 | 0.10 |
| 3.01 | 0.87 | 2.13 | 1.83 | 1.02 |
| 1.16 | 1.97 | 0.97 | 0.70 | 0.58 |
| 0.29 | 0.26 | 0.17 | 0.21 | 0.12 |
| 0.28 | 0.33 | 0.36 | 0.28 | 0.17 |
| 0.30 | 0.08 | 0.24 | 0.36 | 0.28 |
| 0.97 | 0.41 | 0.78 | 0.61 | 0.43 |
| 1.33 | 1.00 | 0.71 | 1.69 | 3.61 |
| 8.61 | 6.02 | 5.85 | 6.31 | 6.31 |

CHAPTER 3 - BY PERCENTAGE OF PAPER SUPPLIED

REPORT ON OPERATIONS - SALES = 100%

| | 0% TO 11%** | 11% TO 21% | |
|---|---|---|---|
| | ALL FIRMS | ALL FIRMS | PROFIT LEADERS |
| SALES OR VALUE OF PRODUCT PRODUCED | 100.00% | 100.00% | 100.00% |
| FACTORY COST OF PRODUCT | | | |
| MATERIALS | | | |
| Paper | 36.47 | 36.50 | 31.03 |
| Other chargeable materials | 5.96 | 6.84 | 6.42 |
| Outside services | 5.51 | 4.72 | 2.91 |
| TOTAL MATERIALS | 47.94 | 48.06 | 40.36 |
| FACTORY PAYROLL | 24.20 | 23.90 | 23.31 |
| FACTORY EXPENSES | 12.52 | 12.90 | 13.69 |
| TOTAL FACTORY COST OF PRODUCT | 84.66 | 84.86 | 77.36 |
| GROSS PROFIT | 15.34 | 15.14 | 22.64 |
| ADMINISTRATIVE AND SELLING EXPENSES | | | |
| Administrative expenses | 6.04 | 4.81 | 5.56 |
| Selling expenses | 5.94 | 4.19 | 3.68 |
| TOTAL ADMINISTRATIVE AND SELLING EXPENSES | 11.98 | 9.00 | 9.24 |
| INCOME BEFORE INTEREST EXPENSE | 3.36 | 6.14 | 13.40 |
| Interest expense | 2.17 | 1.96 | 1.96 |
| OPERATING INCOME | 1.19 | 4.18 | 11.44 |
| Other income | 0.59 | 0.69 | 0.14 |
| INCOME BEFORE INCOME TAXES | 1.78 | 4.87 | 11.58 |

SUPPORTING SCHEDULES - SALES = 100%

| | | | |
|---|---|---|---|
| OTHER CHARGEABLE MATERIALS | | | |
| Ink | 3.70% | 4.16% | 2.77% |
| Film | 0.71 | 0.53 | 0.67 |
| Plates | 0.78 | 0.93 | 0.78 |
| Other chargeable materials | 0.77 | 1.22 | 2.20 |
| TOTAL OTHER CHARGEABLE MATERIALS | 5.96 | 6.84 | 6.42 |
| OUTSIDE SERVICES | | | |
| Composition | 0.28 | 0.07 | 0.00 |
| Offset preparation | 0.80 | 0.96 | 0.39 |
| Printing | 1.05 | 0.71 | 0.49 |
| Binding | 2.07 | 1.13 | 0.76 |
| Other outside services | 1.31 | 1.85 | 1.27 |
| TOTAL OUTSIDE SERVICES | 5.51 | 4.72 | 2.91 |

** Sample insufficient for Profit Leaders.

| 21% TO 41% | | 41% TO 61%** | OVER 61% | |
|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | ALL FIRMS | PROFIT LEADERS |
| 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| 33.44 | 29.97 | 24.95 | 20.75 | 17.72 |
| 6.89 | 7.11 | 6.81 | 10.06 | 9.18 |
| 5.78 | 5.04 | 4.33 | 2.44 | 2.45 |
| 46.11 | 42.12 | 36.09 | 33.25 | 29.35 |
| 25.58 | 20.05 | 29.64 | 32.32 | 34.09 |
| 13.98 | 17.29 | 16.53 | 18.38 | 13.69 |
| 85.67 | 79.46 | 82.26 | 83.95 | 77.13 |
| 14.33 | 20.54 | 17.74 | 16.05 | 22.87 |
| 5.76 | 5.49 | 5.68 | 5.31 | 3.90 |
| 4.54 | 3.44 | 3.73 | 4.18 | 4.41 |
| 10.30 | 8.93 | 9.41 | 9.49 | 8.31 |
| 4.03 | 11.61 | 8.33 | 6.56 | 14.56 |
| 2.18 | 1.15 | 2.18 | 2.19 | 0.10 |
| 1.85 | 10.46 | 6.15 | 4.37 | 14.46 |
| 0.84 | 2.10 | 1.18 | 0.67 | 0.25 |
| 2.69 | 12.56 | 7.33 | 5.04 | 14.71 |
| 4.48% | 4.47% | 3.21% | 5.92% | 7.44% |
| 0.57 | 0.52 | 0.52 | 0.52 | 0.62 |
| 0.92 | 1.04 | 1.09 | 0.88 | 0.96 |
| 0.92 | 1.08 | 1.99 | 2.74 | 0.16 |
| 6.89 | 7.11 | 6.81 | 10.06 | 9.18 |
| 0.11 | 0.00 | 0.02 | 0.06 | 0.25 |
| 0.89 | 1.55 | 2.60 | 0.23 | 0.00 |
| 0.73 | 1.77 | 0.64 | 0.43 | 0.17 |
| 3.14 | 0.89 | 0.82 | 0.54 | 0.51 |
| 0.91 | 0.83 | 0.25 | 1.18 | 1.52 |
| 5.78 | 5.04 | 4.33 | 2.44 | 2.45 |

SUPPORTING SCHEDULES - SALES = 100%

| | 0% TO 11%** | 11% TO 21% | |
|---|---|---|---|
| | ALL FIRMS | ALL FIRMS | PROFIT LEADERS |
| FACTORY PAYROLL | | | |
| Salaries - executive | 1.60% | 1.57% | 2.04% |
| Direct wages | 15.27 | 13.87 | 10.27 |
| General factory salaries and wages | 2.41 | 2.75 | 4.10 |
| Packing, shipping and delivery wages | 0.59 | 1.43 | 1.84 |
| Payroll taxes | 1.45 | 1.72 | 1.67 |
| Employee benefits | 2.88 | 2.56 | 3.39 |
| TOTAL FACTORY PAYROLL | 24.20 | 23.90 | 23.31 |
| FACTORY EXPENSES | | | |
| Fixed Expenses | | | |
| Depreciation - real estate | 0.21 | 0.16 | 0.17 |
| Depreciation - other | 3.39 | 3.89 | 3.72 |
| Taxes - real estate | 0.17 | 0.26 | 0.28 |
| Taxes - other | 0.14 | 0.27 | 0.01 |
| Insurance | 0.43 | 0.26 | 0.18 |
| Building rent | 0.75 | 0.36 | 0.27 |
| Utilities - heat, light, etc. | 1.36 | 1.89 | 1.88 |
| Equipment rental | 0.48 | 0.58 | 0.31 |
| Total Fixed Expenses | 6.93 | 7.67 | 6.82 |
| Other Expenses | | | |
| Factory supplies and expense | 2.56 | 2.28 | 3.65 |
| Packing, shipping and delivery expense | 0.83 | 0.62 | 0.57 |
| Repairs and maintenance | 1.43 | 1.53 | 1.61 |
| Other factory expenses | 0.77 | 0.80 | 1.04 |
| Total Other Expenses | 5.59 | 5.23 | 6.87 |
| TOTAL FACTORY EXPENSES | 12.52 | 12.90 | 13.69 |
| ADMINISTRATIVE EXPENSES | | | |
| Salaries - executive | 1.40 | 1.02 | 0.98 |
| Salaries - office | 0.97 | 1.31 | 1.34 |
| Payroll taxes | 0.17 | 0.18 | 0.17 |
| Employee benefits | 0.39 | 0.25 | 0.20 |
| Bad debts | 0.45 | 0.38 | 0.52 |
| Office supplies and expenses | 0.31 | 0.27 | 0.30 |
| Professional fees | 0.42 | 0.25 | 0.14 |
| Taxes - business | 0.07 | 0.03 | 0.06 |
| Telephone | 0.31 | 0.21 | 0.11 |
| Other administrative expenses | 1.55 | 0.91 | 1.74 |
| TOTAL ADMINISTRATIVE EXPENSES | 6.04 | 4.81 | 5.56 |
| SELLING EXPENSES | | | |
| Salaries - executive | 0.53 | 0.36 | 0.47 |
| Salaries and commissions - salesmen | 2.70 | 2.18 | 2.55 |
| Salaries - sales office clerical | 0.85 | 0.56 | 0.23 |
| Payroll taxes | 0.21 | 0.14 | 0.07 |
| Employee benefits | 0.32 | 0.14 | 0.10 |
| Advertising | 0.22 | 0.15 | 0.00 |
| Travel and entertainment | 0.50 | 0.39 | 0.21 |
| Other selling expenses | 0.61 | 0.27 | 0.05 |
| TOTAL SELLING EXPENSES | 5.94 | 4.19 | 3.68 |

** Sample insufficient for Profit Leaders.

| 21% TO 41% | | 41% TO 61%** | OVER 61% | |
|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | ALL FIRMS | PROFIT LEADERS |
| 1.79% | 1.41% | 1.28% | 1.72% | 0.89% |
| 16.58 | 12.96 | 15.60 | 20.35 | 23.43 |
| 2.09 | 1.39 | 7.27 | 3.38 | 3.40 |
| 0.82 | 0.46 | 0.71 | 0.80 | 0.15 |
| 1.53 | 1.40 | 1.98 | 2.37 | 2.44 |
| 2.77 | 2.43 | 2.80 | 3.70 | 3.78 |
| 25.58 | 20.05 | 29.64 | 32.32 | 34.09 |
| 0.16 | 0.24 | 0.38 | 0.45 | 0.36 |
| 3.95 | 4.47 | 4.00 | 4.76 | 4.85 |
| 0.23 | 0.18 | 0.11 | 0.30 | 0.22 |
| 0.19 | 0.09 | 0.30 | 0.29 | 0.07 |
| 0.40 | 0.39 | 0.36 | 0.26 | 0.14 |
| 0.68 | 0.89 | 0.10 | 0.34 | 0.66 |
| 1.74 | 1.77 | 2.08 | 2.77 | 1.93 |
| 0.31 | 0.21 | 0.18 | 1.72 | 0.01 |
| 7.66 | 8.24 | 7.51 | 10.89 | 8.24 |
| 2.14 | 1.62 | 3.15 | 3.23 | 3.17 |
| 1.40 | 3.60 | 1.90 | 0.55 | 0.43 |
| 1.81 | 1.52 | 1.87 | 2.43 | 1.10 |
| 0.97 | 2.31 | 2.10 | 1.28 | 0.75 |
| 6.32 | 9.05 | 9.02 | 7.49 | 5.45 |
| 13.98 | 17.29 | 16.53 | 18.38 | 13.69 |
| 1.04 | 1.99 | 0.93 | 1.20 | 0.82 |
| 1.31 | 1.00 | 1.96 | 1.32 | 1.15 |
| 0.12 | 0.13 | 0.17 | 0.25 | 0.16 |
| 0.38 | 0.77 | 0.26 | 0.48 | 0.73 |
| 0.35 | (0.07) | 0.21 | 0.32 | 0.05 |
| 0.24 | 0.19 | 0.20 | 0.12 | 0.10 |
| 0.75 | 0.55 | 0.37 | 0.57 | 0.10 |
| 0.02 | 0.05 | 0.02 | 0.05 | 0.00 |
| 0.27 | 0.22 | 0.45 | 0.19 | 0.14 |
| 1.28 | 0.66 | 1.11 | 0.81 | 0.65 |
| 5.76 | 5.49 | 5.68 | 5.31 | 3.90 |
| 0.66 | 0.63 | 0.32 | 0.42 | 0.07 |
| 1.57 | 0.49 | 1.35 | 1.19 | 0.68 |
| 0.64 | 1.14 | 0.62 | 0.46 | 0.39 |
| 0.16 | 0.15 | 0.11 | 0.13 | 0.08 |
| 0.15 | 0.19 | 0.23 | 0.18 | 0.11 |
| 0.17 | 0.04 | 0.16 | 0.23 | 0.19 |
| 0.48 | 0.24 | 0.49 | 0.40 | 0.30 |
| 0.71 | 0.56 | 0.45 | 1.17 | 2.59 |
| 4.54 | 3.44 | 3.73 | 4.18 | 4.41 |

CHAPTER 3 - BY PERCENTAGE OF PAPER SUPPLIED

BALANCE SHEET

| | 0% TO 11%** | 11% TO 21% | |
|---|---|---|---|
| | ALL FIRMS | ALL FIRMS | PROFIT LEADERS |
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash | 2.46% | 2.19% | 3.87% |
| Receivables | 29.74 | 28.86 | 25.80 |
| Inventories | 18.09 | 12.09 | 10.34 |
| Other current assets | 4.56 | 1.84 | 0.67 |
| TOTAL CURRENT ASSETS | 54.85 | 44.98 | 40.68 |
| FIXED ASSETS | | | |
| Real estate | 8.08 | 10.43 | 9.87 |
| Less: Accumulated depreciation | 2.59 | 3.10 | 1.21 |
| | 5.49 | 7.33 | 8.66 |
| Machinery and equipment | 68.97 | 77.18 | 64.64 |
| Less: Accumulated depreciation | 34.62 | 36.29 | 26.89 |
| | 34.35 | 40.89 | 37.75 |
| Other fixed assets | 5.70 | 4.17 | 1.70 |
| Less: Accumulated depreciation | 3.18 | 2.19 | 0.52 |
| | 2.52 | 1.98 | 1.18 |
| NET FIXED ASSETS | 42.36 | 50.20 | 47.59 |
| OTHER ASSETS | 2.79 | 4.82 | 11.73 |
| TOTAL ASSETS | 100.00 | 100.00 | 100.00 |
| LIABILITIES AND EQUITY | | | |
| CURRENT LIABILITIES | | | |
| Notes payable | 12.49 | 10.04 | 4.83 |
| Accounts payable | 15.92 | 16.19 | 11.71 |
| Other current liabilities | 7.66 | 6.04 | 5.84 |
| TOTAL CURRENT LIABILITIES | 36.07 | 32.27 | 22.38 |
| LONG-TERM LIABILITIES | 35.34 | 27.17 | 25.15 |
| TOTAL LIABILITIES | 71.41 | 59.44 | 47.53 |
| SHAREHOLDERS' AND PROPRIETORS' EQUITY | 28.59 | 40.56 | 52.47 |
| TOTAL LIABILITIES AND EQUITY | 100.00 | 100.00 | 100.00 |

BALANCE SHEET RATIOS

| | | | |
|---|---|---|---|
| CURRENT RATIO | 1.52 | 1.39 | 1.82 |
| QUICK RATIO | 1.02 | 1.02 | 1.36 |
| TOTAL LIABILITIES TO EQUITY | 2.50 | 1.47 | 0.91 |
| LONG-TERM LIABILITIES TO EQUITY | 1.24 | 0.67 | 0.48 |
| ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT | 0.50 | 0.47 | 0.42 |

** Sample insufficient for Profit Leaders.

| 21% TO 41% | | 41% TO 61%** | OVER 61% | |
|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | ALL FIRMS | PROFIT LEADERS |
| 3.68% | 5.13% | 0.20% | 2.66% | 1.34% |
| 28.28 | 25.59 | 24.93 | 19.89 | 16.83 |
| 9.24 | 5.95 | 9.23 | 8.33 | 9.01 |
| 7.26 | 16.31 | 0.45 | 14.38 | 24.56 |
| 48.46 | 52.98 | 34.81 | 45.26 | 51.74 |
| 9.36 | 6.38 | 17.31 | 17.35 | 12.05 |
| 2.58 | 2.59 | 5.05 | 6.74 | 2.94 |
| 6.78 | 3.79 | 12.26 | 10.61 | 9.11 |
| 66.49 | 70.89 | 88.36 | 78.20 | 64.65 |
| 30.63 | 29.69 | 43.07 | 37.31 | 29.89 |
| 35.86 | 41.20 | 45.29 | 40.89 | 34.76 |
| 2.23 | 2.41 | 0.00 | 4.12 | 2.07 |
| 1.21 | 1.58 | 0.00 | 2.35 | 0.88 |
| 1.02 | 0.83 | 0.00 | 1.77 | 1.19 |
| 43.66 | 45.82 | 57.55 | 53.27 | 45.06 |
| 7.88 | 1.20 | 7.64 | 1.47 | 3.20 |
| 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| 5.65 | 4.22 | 3.93 | 5.61 | 1.22 |
| 13.58 | 11.48 | 10.47 | 9.35 | 5.78 |
| 8.57 | 5.39 | 5.49 | 6.38 | 4.33 |
| 27.80 | 21.09 | 19.89 | 21.34 | 11.33 |
| 36.41 | 29.80 | 39.49 | 30.15 | 15.52 |
| 64.21 | 50.89 | 59.38 | 51.49 | 26.85 |
| 35.79 | 49.11 | 40.62 | 48.51 | 73.15 |
| 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| 1.74 | 2.51 | 1.75 | 2.12 | 4.57 |
| 1.41 | 2.23 | 1.29 | 1.73 | 3.77 |
| 1.79 | 1.04 | 1.46 | 1.06 | 0.37 |
| 1.02 | 0.61 | 0.97 | 0.62 | 0.21 |
| 0.46 | 0.42 | 0.49 | 0.48 | 0.46 |

SIGNIFICANT FACTS

| | 0% TO 11%** | 11% TO 21% | |
|---|---|---|---|
| | ALL FIRMS | ALL FIRMS | PROFIT LEADERS |
| INVESTMENT | | | |
| Average assets per employee - All employees | $ 60,956 | $ 57,433 | $ 59,026 |
| Average assets per factory employee (Excluding Executives) | 76,535 | 72,994 | 80,205 |
| Average net worth per employee - All employees | 17,068 | 24,978 | 37,326 |
| Average gross plant investment per factory employee (Excluding Executives) | 62,193 | 66,535 | 63,123 |
| Net worth percentage of fixed assets | 105.52% | 81.72% | 113.82% |
| EMPLOYEES | | | |
| Percent factory - All employees | 82.59% | 84.45% | 83.48% |
| Percent administrative - All employees | 8.07 | 8.35 | 8.99 |
| Percent sales - All employees | 9.34 | 7.20 | 7.53 |
| SALES - VALUE OF PRODUCT PRODUCED INCLUDING EXECUTIVES | | | |
| Sales per employee - All employees | $ 107,210 | $ 109,085 | $ 111,281 |
| Sales per factory employee | 130,326 | 132,028 | 141,252 |
| Sales less material per factory employee | 66,641 | 67,245 | 83,467 |
| Sales per administrative employee | 1,510,201 | 1,468,009 | 1,340,139 |
| EXCLUDING EXECUTIVES | | | |
| Sales per employee - All employees | 114,630 | 115,682 | 118,972 |
| Sales per factory employee | 136,196 | 138,538 | 149,986 |
| Sales less material per factory employee | 69,791 | 70,578 | 88,650 |
| SALES PER SALESMAN | 2,204,812 | 1,746,634 | 1,592,034 |
| SALES TO CURRENT ASSETS | 379% | 460% | 510% |
| PAYROLL - INCLUDING TAXES AND BENEFITS INCLUDING EXECUTIVES | | | |
| Total payroll percentage of sales | 31.74% | 30.05% | 29.42% |
| Factory payroll percentage of gross plant investment | 63.36 | 52.90 | 65.05 |
| Payroll per employee - All employees | $ 33,201 | $ 31,659 | $ 32,530 |
| Payroll per factory employee | 30,618 | 30,101 | 31,414 |
| Payroll per administrative employee | 38,352 | 35,516 | 34,878 |
| Payroll per sales employee | 56,338 | 53,667 | 68,267 |
| PAYROLL - EXCLUDING TAXES AND BENEFITS EXCLUDING EXECUTIVES | | | |
| Payroll per employee - All employees | $ 25,663 | $ 25,009 | $ 25,040 |
| Payroll per factory employee | 24,300 | 24,051 | 24,019 |
| Payroll per administrative employee | 18,156 | 20,555 | 18,831 |
| Payroll per sales employee | 48,876 | 43,072 | 47,007 |
| EXECUTIVE PAYROLL | | | |
| Payroll per executive - All executives | 57,245 | 55,048 | 52,229 |
| Payroll per factory executive | 52,047 | 48,787 | 41,874 |
| Payroll per administrative executive | 67,578 | 77,102 | 100,228 |
| Payroll per sales executive | 63,067 | 67,734 | 94,684 |
| RECEIVABLES | | | |
| Collection period | 58.0 | 56.6 | 49.1 |
| PROFIT | | | |
| Gross profit percentage of sales | 15.34% | 15.14% | 22.64% |
| Average gross profit per factory employee | $ 21,133 | $ 22,026 | $ 35,757 |
| Income before taxes percentage of sales | 1.78% | 4.87% | 11.58% |
| Average income before taxes per employee | $ 2,165 | $ 5,430 | $ 12,535 |

** Sample insufficient for Profit Leaders.

| 21% TO 41% | | 41% TO 61%** | OVER 61% | |
|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | ALL FIRMS | PROFIT LEADERS |
| $ 85,385 | $ 77,983 | $ 56,023 | $ 62,330 | $ 61,299 |
| 111,069 | 94,212 | 65,118 | 71,424 | 67,367 |
| 29,531 | 37,251 | 23,749 | 28,172 | 44,770 |
| 85,352 | 77,150 | 67,361 | 69,225 | 53,375 |
| 98.34% | 121.71% | 73.79% | 112.37% | 175.98% |
| 83.52% | 86.23% | 88.64% | 90.16% | 92.84% |
| 8.31 | 6.76 | 7.30 | 6.68 | 5.50 |
| 8.17 | 7.01 | 4.06 | 3.16 | 1.66 |
| $ 117,657 | $ 114,810 | $ 92,142 | $ 75,992 | $ 73,591 |
| 145,807 | 133,459 | 103,841 | 84,790 | 79,646 |
| 77,199 | 76,475 | 66,160 | 55,977 | 55,728 |
| 1,613,821 | 1,737,386 | 1,300,271 | 1,228,911 | 1,349,444 |
| 126,866 | 122,006 | 95,952 | 80,145 | 76,014 |
| 155,276 | 138,669 | 107,332 | 88,098 | 81,426 |
| 82,325 | 79,488 | 68,413 | 58,088 | 56,928 |
| 2,449,725 | 5,486,433 | 5,895,368 | 2,832,756 | 3,947,665 |
| 342% | 300% | 482% | 318% | 257% |
| 31.61% | 26.55% | 35.60% | 37.96% | 38.26% |
| 57.99 | 38.39 | 47.03 | 44.70 | 55.58 |
| $ 35,768 | $ 30,630 | $ 32,476 | $ 28,181 | $ 27,909 |
| 34,433 | 26,822 | 30,390 | 26,587 | 26,671 |
| 40,066 | 67,965 | 42,965 | 39,552 | 38,614 |
| 43,305 | 42,662 | 59,990 | 55,886 | 33,336 |
| $ 27,911 | $ 21,182 | $ 26,022 | $ 21,466 | $ 21,982 |
| 27,719 | 20,373 | 24,911 | 20,794 | 21,531 |
| 19,458 | 22,814 | 27,812 | 19,452 | 18,713 |
| 34,527 | 31,021 | 48,826 | 48,115 | 30,008 |
| 59,502 | 84,604 | 64,502 | 65,137 | 48,994 |
| 42,524 | 52,628 | 39,596 | 60,077 | 45,812 |
| 73,752 | 152,705 | 111,853 | 89,707 | 59,675 |
| 68,246 | 75,831 | 94,556 | 37,707 | 15,841 |
| 66.6 | 64.6 | 58.0 | 57.2 | 53.3 |
| 14.33% | 20.54% | 17.74% | 16.05% | 22.87% |
| $ 24,280 | $ 28,372 | $ 19,407 | $ 13,872 | $ 18,757 |
| 2.69% | 12.56% | 7.33% | 5.04% | 14.71% |
| $ 3,649 | $ 14,077 | $ 7,285 | $ 3,540 | $ 10,841 |

RETURN ON INVESTMENT - PER $100 OF SALES

| | 0% TO 11%** | 11% TO 21% | |
|---|---|---|---|
| | ALL FIRMS | ALL FIRMS | PROFIT LEADERS |
| INVESTMENT | | | |
| Current Assets: | | | |
| Cash | $ 1.47 | $ 1.24 | $ 2.04 |
| Receivables | 15.23 | 14.91 | 12.82 |
| Inventories | 9.44 | 6.51 | 5.26 |
| Marketable securities | 0.14 | 0.82 | 0.00 |
| Other current assets | 2.46 | 0.44 | 0.36 |
| | 28.74 | 23.92 | 20.48 |
| Plant Investment: | | | |
| Land and building | 5.33 | 5.61 | 4.78 |
| Machinery and equipment | 38.06 | 42.42 | 34.51 |
| Other fixed assets | 2.58 | 2.40 | 0.98 |
| | 45.97 | 50.43 | 40.27 |
| Non-Current Assets | 1.82 | 2.61 | 6.75 |
| TOTAL INVESTMENT | 76.53 | 76.96 | 67.50 |
| INVESTMENT TURNOVER PER $100 OF SALES | 130.67% | 129.94% | 148.15% |
| EARNINGS | | | |
| Cost of Product | $84.66 | $84.86 | $77.36 |
| Selling Expenses | 5.94 | 4.19 | 3.68 |
| Administrative Expenses | 6.04 | 4.81 | 5.56 |
| | 96.64 | 93.86 | 86.60 |
| Income Before Interest, Other Income, and Taxes | 3.36 | 6.14 | 13.40 |
| RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME | 4.39% | 7.98% | 19.85% |

** Sample insufficient for Profit Leaders.

| 21% TO 41% | | 41% TO 61%** | OVER 61% | |
|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | ALL FIRMS | PROFIT LEADERS |
| $ 2.24 | $ 3.23 | $ 0.13 | $ 2.11 | $ 1.23 |
| 17.71 | 17.35 | 14.98 | 15.19 | 14.37 |
| 6.01 | 4.02 | 5.53 | 6.38 | 7.08 |
| 1.58 | 8.71 | 0.01 | 8.49 | 11.82 |
| 3.08 | 1.47 | 0.26 | 4.21 | 11.25 |
| 30.62 | 34.78 | 20.91 | 36.38 | 45.75 |
| 7.56 | 4.14 | 10.35 | 13.07 | 9.10 |
| 47.46 | 48.01 | 52.62 | 62.23 | 53.16 |
| 1.49 | 1.61 | 0.00 | 3.11 | 1.56 |
| 56.51 | 53.76 | 62.97 | 78.41 | 63.82 |
| 6.63 | 0.82 | 4.90 | 1.35 | 2.92 |
| 93.76 | 89.36 | 88.78 | 116.14 | 112.49 |
| 106.66% | 111.91% | 112.64% | 86.10% | 88.90% |
| $85.67 | $79.46 | $82.26 | $83.95 | $77.13 |
| 4.54 | 3.44 | 3.73 | 4.18 | 4.41 |
| 5.76 | 5.49 | 5.68 | 5.31 | 3.90 |
| 95.97 | 88.39 | 91.67 | 93.44 | 85.44 |
| 4.03 | 11.61 | 8.33 | 6.56 | 14.56 |
| 4.30% | 12.99% | 9.38% | 5.65% | 12.94% |

ABSOLUTE DATA

| | NUMBER OF PARTICIPATING FIRMS | AVERAGE FIRM REPORTING** TOTAL ASSETS | SALES OR VALUE OF PRODUCTION | TOTAL INCOME |
|---|---|---|---|---|
| TOTAL - ALL FIRMS | 59 | $ 23,473,000 | $ 35,231,000 | $ 1,747,000 |
| TOTAL - PROFIT LEADERS* | 10 | 41,249,000 | 63,327,000 | 7,475,000 |
| BY SIZE OF FIRM | | | | |
| ALL FIRMS | | | | |
| $1,500,000-$5,000,000 | 2 | 1,604,000 | 4,686,000 | 155,000 |
| $5,000,000-$10,000,000 | 14 | 4,472,000 | 7,712,000 | 198,000 |
| $10,000,000-$20,000,000 | 10 | 8,379,000 | 14,902,000 | 274,000 |
| Over $20,000,000 | 33 | 37,434,000 | 54,918,000 | 2,947,000 |
| PROFIT LEADERS | | | | |
| Over $20,000,000 | 8 | 50,307,000 | 76,690,000 | 9,086,000 |
| BY PRODUCT SPECIALTY | | | | |
| ALL FIRMS | | | | |
| Commercial and Advertising | 30 | 14,561,000 | 24,374,000 | 809,000 |
| Magazine and Periodical | 22 | 37,071,000 | 51,265,000 | 3,410,000 |
| PROFIT LEADERS | | | | |
| Commercial and Advertising | 4 | 17,429,000 | 29,074,000 | 3,057,000 |
| Magazine and Periodical | 6 | 57,129,000 | 86,162,000 | 10,420,000 |
| BY PERCENTAGE OF PAPER SUPPLIED | | | | |
| ALL FIRMS | | | | |
| 0% To 11% | 20 | 18,695,000 | 31,418,000 | 600,000 |
| 11% To 21% | 10 | 15,136,000 | 28,942,000 | 1,696,000 |
| 21% To 41% | 11 | 17,282,000 | 23,249,000 | 708,000 |
| 41% To 61% | 2 | 108,264,000 | 171,749,000 | 16,265,000 |
| Over 61% | 6 | 62,317,000 | 67,394,000 | 4,236,000 |
| PROFIT LEADERS | | | | |
| 11% To 21% | 3 | 17,734,000 | 31,796,000 | 3,928,000 |
| 21% To 41% | 2 | 20,548,000 | 30,311,000 | 3,729,000 |
| Over 61% | 2 | 54,379,000 | 71,680,000 | 10,622,000 |

* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.
** Unlike the ratios shown in this book, these figures are arithmetic averages. See explanatory note on page 43.

## HOW THE NUMBERS ARE COMPUTED

The PIA Ratios are computed by the method of relative or common size. With this method each company's dollars are converted into a percentage to the total. Then these percentages are added in total and within a given sales class. This is a very simple way of avoiding what is known as self-weighting when various magnitudes are involved. With this method each company is given equal weight regardless of their size.

The following example illustrates how this calculation process eliminates the problem of the ratios' giving inordinate weight to the results of very large firms.

| | | | % of Sales | |
|---|---|---|---|---|
| Firm | Sales | Factory Payroll | Firm's Ratio Factory Payroll | PIA Ratio Factory Payroll |
| A | $ 200,000 | $ 60,000 | 30.0% | |
| B | 500,000 | 100,000 | 20.0 | |
| C | 8,000,000 | 975,000 | 12.2 | |
| | | | 62.2% divided by 3 = 20.7% | |